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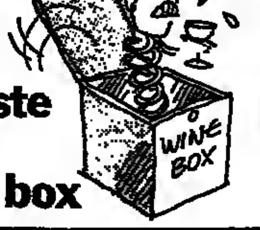


NEWS SUMMARY

GENERAL

Maclean cremated with honours

Spy Donald Maclean was cremated in Moscow yesterday after lying in state briefly, amid praise in the Soviet Press.

The official newspaper Izvestia called him "a man of high moral qualities and a convinced communist."

He passed vital information to the Soviet Union while working for the Foreign Office after 1935, and fled to Moscow in 1951 after his role was discovered.

Nkomo stranded

Zimbabwe Opposition leader Joshua Nkomo was last night still stranded in Botswana looking for a country to take him into exile. Page 2

Campaigners held

Four women peace campaigners from Greenham Common were among 12 arrested by Italian police after an anti-cruise missile protest in Sicily.

22 murders

The manager of an old people's nursing home in central Norway was found guilty of murdering 22 patients by injecting them with poison.

Israeli swoop

Israeli security forces held 45 heavily armed Jewish extremists, saying they planned to storm Jewish and Moslem holy places in Jerusalem.

Treasury expands

Mrs Thatcher appointed two more Permanent Secretaries, strengthening the hand of the Treasury over Whitehall. Page 3

Dental fees up

NHS charges for dental treatment and spectacle lenses are to rise by 3-5½ per cent from April 1. Page 3

Fatal air crash

A Venezuelan airliner crashed at Barquisimeto airport, killing 18. In north Japan, 31 were hurt when a domestic flight carrying 51 crashed.

Anti-U.S. policy

Hopes that the non-aligned countries would follow a more neutral policy towards the U.S. were dashed at their New Delhi meeting. Page 2

Ambassador dies

Turkey's ambassador to Yugoslavia, Galip Balkar, has died after being shot in Belgrade three days ago.

Vanuatu claim

A government party from Vanuatu — the former New Hebrides, independent since 1980 — landed on nearby Matthew and Hunter islands and claimed them from France.

Trunk call

A herd of 30 elephants, apparently lost, was found wandering the streets of N'Djamena, Chad's capital. Chadians said this was a good omen.

Briefly . . .

Queen left Vancouver for home.

Earthquake, 5 on the Richter scale, hit Romania.

Amsterdam police held two Britons and 550lb of hashish.

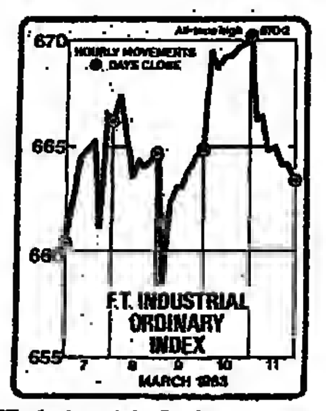
BUSINESS

Luton votes to keep out S car

● VAUXHALL'S Luton plant workers defied expectation by voting to continue their ban on the import of the General Motors Spanish-built S car, due to be launched at the end of next month. Page 4

In Australia, General Motors-Holden lost A$134.7m (£75.4m) last year and plans to dismiss another 1,400 workers. Page 2

● EQUITIES fell as fears revived over the Opec talks. The FT Industrial Ordinary index lost 6.9 to 663.2. Page 24



● GILTS followed sterling down, with longs losing a point and occasionally more. Page 24

● GOLD fell $12.5 to $422.5 in London. In New York the Comex March settlement was $427.5 ($431). Page 21

● DOLLAR rose to DM 2.401 (DM 2.3915), SwFr 2.071 (SwFr 2.05) and Y238.4 (Y237) but eased to FFr 6.935 (FFr 6.94). Its trade-weighted index was 121.2 (120.8). Page 21

● STERLING dropped 1.15 cents to $1.5005 and fell to DM 3.605 (DM 3.6175), FFr 10.4 (FFr 10.49) and Y358 (Y358.5) but edged up to SwFr 3.11 (SwFr 3.1075). Its trade weighted index was 79.4 (79.8). Page 21

● WALL STREET was down 8.52 to 1,112.42 near the close. Page 20

● BRAZIL introduced an economic package designed to encourage more investment with savings banks rather than on the open market.

● NATIONAL COAL BOARD is to raise its borrowings by £96m to £1,2bn under new external financing limits announced for state energy industries. Back Page

● TRUST SECURITIES Holdings, property development group which obtained a Stock Exchange listing 10 months ago, launched a £109m share offer for Percy Bilton, property investment, construction and housebuilding concern. Back Page

● DOME Petroleum, troubled Canadian group, is to head a 40-member consortium that will spend $800m (£533m) in the next five years hunting for oil in the Arctic.

● PONTINS, holidays subsidary of Bass, is set to buy Buddies, the troubled travel company.

● SWEDISH MATCH lifted pre-tax earnings from SKr 98m to SKr 212m (£18.9m) last year. Page 23

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES			FALLS		
Aitken Hume	434	+ 17	Treasury 11¼% '85	£101¼	− ⅞
BET Defd.	263	+ 5	Treasury 15¼% '98	£128¼	− 1¼
Bilton (Percy)	290	+ 28	BICC	280	− 8
Carpets Int.	34½	+ 4½	BOC	204	− 10
Cowan de Groot	32	+ 8	Beecham	390	− 12
Croda Int.	108	+ 6	Bio-Isolates	258	− 22
Davenport's Brew	290	+ 10	GEC	204	− 8
Ezport	17½	+ 3	GKN	144	− 5
Fisher (J.)	115	+ 10	ICI	392	− 6
Hawker Siddeley	396	+ 6	Midland Bank	410	− 10
Hollis Brothers	58	+ 7	TI	166	− 4
Kode	335	+ 15	LASMO	234	− 11
London & Liverpool	465	+ 20	Shell Transport	438	− 10
Oakwood	120	+ 14	Tricentrol	154	− 8
Oceonics	750	+ 40	Cons. Gold Fields	457	− 10
Royal Worcester	165	+ 12	Poseidon	250	− 3
Samuel (H.) "A"	106	+ 5	Welkom	583	− 60
Sparrow (G. W.)	60	+ 8			
Standard Tele.	244	+ 22			
Telefusion	82	+ 7			
Ward White	92	+ 7			
Wimpey (G.)	156	+ 4			
East Daggafontein	276	+ 25			

Some French interest rates lifted to 1,000%

BY DAVID MARSH IN PARIS

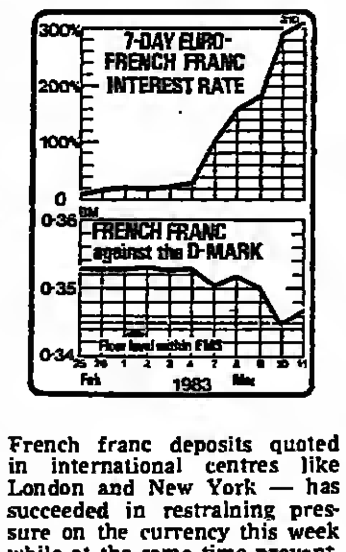
THE BANK OF FRANCE, yesterday drove up interest rates on very short-term French Euro-franc deposits to the astronomical level of 1,000 per cent as part of a bid to protect the franc in the European Monetary System against the rampant Deutsche Mark.

This action, designed to make the cost of speculation against the franc unsupportable for even the most adventurous of currency operators, succeeded in arresting the French currency's decline

At the end of a day of nervous dealings—which was however much less busy than on Thursday—the D-Mark fell back to FFr 2.875 in Paris compared with the EMS ceiling level of FFr 2.8985, at which it had traded for most of yesterday.

Expectations of a forthcoming EMS realignment remain very strong. But Paris dealers believe any shake-up is much more likely later on this month than over the weekend. The second round of the French municipal elections and the lack of any clear shape to the West German Government would make political agreement on a realignment this weekend very difficult to achieve, if not impossible.

The Bank of France's action on the Eurofranc market — French franc deposits quoted in international centres like London and New York — has succeeded in restraining pressure on the currency this week while at the same time preventing undue depletion of France's foreign exchange reserves.



To prevent the franc from falling beneath its floor against the Deutsche Mark, the Bank of France intervened throughout the day yesterday, but in fairly moderate amounts only. Just after four o'clock, when the central bank withdrew from the market, the Deutsche Mark briefly spurted outside its EMS limits, to FFr 2.90. But it later fell back as speculators faced up to the cost of maintaining positions over the weekend.

One dealer estimated that the Bank of France spent no more than about DM 250m (£69m) supporting the franc yesterday. In late trading, the dollar was quoted at FFr 6.87, well down from FFr 6.92 to FFr 6.94 earlier on.

M. Jacques Delors, the French Finance Minister, repeated his view yesterday that the onus was on the Bonn government to allow a D-Mark revaluation, not only against the French franc, but also against the Belgian franc, Danish krone and Italian lira, which was very weak yesterday against the West German currency. However, a spokesman for the West German Economics Ministry threw back the challenge, claiming that there was an undisputed need for France to reduce its current account deficit and take measures to control inflation.

Officials in Paris yesterday pointed out that, in addition to existing currency holdings and proceeds from international capital market loans, the French authorities could draw on sup-

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Mauroy fate depends on Sunday poll, Page 2

Money markets, Page 21

German steel merger plan hit by Ruhr talks failure

BY JONATHAN CARR IN BONN

A KEY part of the radical plan announced in January to reshape the troubled West German steel industry has foundered because of differences between two of the companies involved.

Under the scheme, drawn up by independent experts, two huge steel groups were to be created, one of which would comprise Hoesch of Dortmund, Kloeckner-Werke of Duisburg and the state-owned Peine-Salzgitter.

It emerged yesterday, however, that Dr Detlev Rohwedder, chairman of Hoesch, had written to Cloeckner saying he saw no future in this triangular Ruhr group.

He said essential rationalisation could not be achieved through a merger with Kloeckner—neither for flats (sheet and strip steel used for car bodies and in general engineering) nor for steel sections (structural shapes for the construction and engineering industries).

Kloeckner, for its part, indicated that no agreement could be reached on the valuation of its steel operation in Bremen—above all, of its wide strip mill—for merger purposes.

The Bremen operation has long been working at a low level of capacity and Hoesch clearly considered the valuation made by Kloeckner to be too high.

The formation of a Ruhr group was only one of the proposals made by three independent steel moderators in their plan for the industry made public on January 25. But the failure of the Hoesch-Kloeckner-Salzgitter talks is widely seen as undermining the balance which the experts hoped to see achieved.

The key idea was to create two roughly equivalent mergers—a Rhine group and a Ruhr group—for the flats and heavy sections which make up 70 per cent of West Germany's rolled steel production.

It was also proposed that there be big cuts in capacity and concentration at other companies, including Arbed Saarstahl, which makes the ever-less remunerative light sections.

In the meantime talks between the two prospective members of the Rhine group, Thyssen and Krupp Stahl, have been moving ahead well, according to both companies. They were already holding talks about co-operation in special steels before the January report emerged.

It is therefore likely that a Rhine group will shortly emerge, but it is not clear what other group, if any, may emerge as a partial counterweight.

One possibility is a link between Hoesch and Salzgitter. But much depends on the attitude of the Bonn Government, which wholly owns Salzgitter and which has not made clear how it would view such a plan.

Nor has the possibility been excluded that Hoesch and Kloeckner might try to go it alone. Dr Ludwig von Bogdandy, a member of the Kloeckner board, said this week that his company had excellent technology and could manage by itself if necessary.

More Clyde shipbuilding jobs to go

BY ANDREW FISHER, SHIPPING CORRESPONDENT

MORE THAN 2,000 shipbuilding jobs are likely to be lost on the Clyde this year, mostly at Scott Lithgow, as a result of the severe and prolonged crisis in the industry.

Scott Lithgow, designated by state-owned British Shipbuilders as its main offshore yard, has already seen its workforce drop sharply in recent years.

But with the delivery shortly of another tanker for British Petroleum, the Scottish yard will have less than £200m worth of orders to complete.

At Govan, which is closer to Glasgow, there have been no big orders for some months, and several hundred jobs are expected to go at this merchant shipbuilding yard as well.

British Shipbuilders, nationalised in 1977, has said that reports of forthcoming job losses on the Clyde are speculation, but has not denied them outright.

Earlier this year, it spelled out the consequences of the shipbuilding recession, saying that more than 2,000 redundancies would occur in England by the end of this month.

The expected Clyde job reductions go beyond this. BS stated that on the jobs front "there are no guarantees for anyone." But it said no talks were scheduled over jobs at Clydeside yards.

Sir Robert Atkinson, chairman of BS, is due to meet national union representatives next Friday to discuss wages and jobs. He has said BS cannot afford any pay increases this year.

It is now regarded as almost certain that Mr Graham Day, a key executive with BS ahead of nationalisation, will take over from Sir Robert as head of the corporation later this year.

Mr Day works in Canada with the shipbuilding division of Dome Petroleum. He may well succeed Sir Robert before the latter's scheduled end of contract date of December this year.

In the early 1970s, Scott Lithgow employed around 9,000 people. This was down to 7,500 in 1979, with a further cut to the present 5,500. The latest redundancies were voluntary.

Scott Lithgow has had difficulties adjusting to its new role of lead offshore yard. Its order book includes a semi-submersible rig for British Petroleum worth £70m and due for delivery by end-1983 and one worth £80m for Britoil for late 1984.

It is also completing a £40m seabed operating vessel, the HMS Challenger, for the Royal Navy, which has a high regard for past defence work at the yard. But the Ministry of Defence has said it will receive no more submarine refit work.

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BNOC clients to seek $29 price

BY RAY DAFTER AND RICHARD JOHNS

SEVERAL MAIN customers of British National Oil Corporation are preparing to seek a North Sea oil price of between $29 and $29.50 a barrel. Such a move could undermine the pricing and production structure being negotiated by the Organisation of Petroleum Exporting Countries.

Leading North Sea traders said yesterday that in current market conditions UK oil prices should be pitched at about $29. This would be $4.50 below the present official level and $1.50 below the price recommended last month by BNOC as the main buyer and seller of North Sea oil.

On this basis North Sea oil would be about $1 a barrel cheaper than the $30 a barrel being assigned to Nigerian crude under the pricing formula tentatively agreed by Opec ministers in London. Nigeria has vowed already that it will not be undercut by North Sea producers.

BNOC is expected to wait several days for the market to settle after any Opec agreement. It realises, however, that it has an almost impossible task of picking a price that pleases its suppliers and customers as well as Opec.

Mr Peter Cazalet, chairman of BP Oil International, said on BBC Radio yesterday that prices fixed for various grades of crudes needed to be credible if stability were to be established in the oil market. North Sea oil needed to be cheaper than Nigerian crude.

He said that if the Opec meeting broke up in a shambles without a realistic pricing formula the prospects for the crude oil market would be decidedly bumpy. There was a danger of prices tumbling and later rebounding to cause world-wide economic instability.

Mr Nigel Lawson, Energy Secretary, sounded a similar warning. The world did not want an exaggerated fall in prices, he said in a statement. He believed Opec would avert this threat.

Mr Lawson said Britain's position was clear: the Government did not control the price of North Sea oil. "BNOC, quite simply, has to sell its oil at the best price it can get on the world market."

Mr Lawson dismissed widespread suggestions that the location of the Opec meeting in London was an embarrassment to the Government.

The Opec ministers' negotiations on a possible ceiling of 17.5m barrels a day for overall output by the organisation's members last night looked set to continue into the weekend and perhaps beyond. Qatar's Oil Minister said yesterday that Opec would hold talks today.

As Opec chief delegates persevered with efforts, no consideration was apparently given to revising downwards the suggested new reference price of $29 per barrel planned under the general consensus established this week.

All members seemed determined to patch up some kind of agreement after two months of frequent consultation. Hopes of reaching a conclusion, however, were further complicated by the United Arab Emirates' insistence on an output level of no less than 1.2m b/d-1.3m b/d rather than the 1m b/d-1.1m b/d proposed in various formulas which have been under discussion.

Dr Mana Said al-Otaiba, UAE Petroleum Minister, said yesterday: "We are still far away from each other as far as quotas are concerned." Dr al-Otaiba's pessimistic note reflected in particular the concern of the UAE—or, more precisely, of Abu Dhabi—the Federation's leading state.

For its part, Venezuela wants 1.8m b/d, rather than the 1.6m b/d that most members appear willing to concede to it. Iran looked as if it would agree on a quota of 2.4m b/d to 2.5m b/d although there was scepticism as to whether it would observe any output limit if an increase in shipments proved possible.

Saudi Arabia remains the biggest problem and is still holding out for 5.5m b/d. All other Opec members appear to consider that such an allocation would be disproportionately large.

£ in New York

	Mar. 10	Previous
Spot	$1.5090-5105	$1.5045-5060
1 month	0.29-0.24 dis	0.27-0.25 dis
3 months	0.70-0.66 dis	0.71-0.69 dis
12 months	1.50-1.40 dis	1.65-1.60 dis

Japan may boost U.S. superbike

By Jurek Martin in Tokyo and Terry Byland in New York

The Japanese motor cycle industry, which brought Harley-Davidson, the U.S. motor cycle maker, to the brink of extinction, may soon help rescue it at the request of Japan's Ministry of Trade and Industry.

A MITI official in Tokyo said yesterday that such a scheme existed as one of several contingency options being examined in case President Reagan approved a sharp increase in tariffs on motor cycle imports.

Under U.S. law, Mr Reagan has until April 2 to pass judgment on a U.S. International Trade Commission recommendation that tariffs be raised for five years to provide Harley-Davidson some relief against Japanese competition.

Mr Reagan's reaction to the ITC recommendations is widely regarded as a test of his Administration's frequently-voiced commitment to free trade.

On January 25 the ITC upheld a complaint by Harley-Davidson that its 700cc machines had lost market share (they now represent only 14 per cent of the U.S. market for heavy motorcycles) and had been forced to lay off 1,600 workers because of the flood of competition from Japan.

The U.S. motorcycle market is in serious difficulty. It has enough stockpiled machines to provide 12-18 months' sales, and they are overwhelmingly Japanese.

The result has been heavy discounting, making competition extremely difficult for Harley-Davidson which has a high-cost base.

The MITI official emphasised that it would be wrong to assume that any rescue plan involving the Japanese makers was being given a higher priority than other options. These include voluntary export restraint, negotiating with the U.S. over higher tariffs, and other, unspecified, actions.

But if the version of the possible rescue given yesterday in Nihon Keizai Shimbun, the leading Japanese business newspaper, is correct, Suzuki

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GENERAL MOTORS-HOLDEN PLANS MORE DISMISSALS

Hawke faces his first big industrial test

BY MICHAEL THOMPSON-NOEL IN SYDNEY

THE new Australian Labor Government of Mr Robert Hawke is facing its first major industrial test with yesterday's news that last year, General Motors-Holden, the Australian motor vehicle manufacturer, lost A$134.7m (£75.4m) and plans to dismiss another 1,400 workers.

GM-H has lost more than A$250m in the past three years. It said in Melbourne yesterday that last year's losses were partially attributable to launch costs on the Camira model, the cost of new plant, and high interest rates.

Mr Joe Thompson, the New South Wales secretary of the Vehicle Builders' Union, said he would be calling on the Federal Government for a judicial inquiry into the company's losses.

GM-H has built a A$260m engine plant at Fisherman's Bend, Melbourne, to take advantage of an export complementation scheme introduced by the last Government.

The plant is working at only 60 per cent capacity because of lack of demand locally and in Germany.

The Australian Labor Party, which scored a landslide general election win last Saturday, campaigned on the promise of greater Government co-operation with the trade union movement.

However, its accord with the Australian Council of Trade Unions (ACTU) may face a severe test if GM-H goes ahead with planned lay-offs.

GM-H's performance last year was totally eclipsed by that of Ford Australia, which took market leadership and is thought to have recorded a 1982 profit of between A$100m and A$120m.

The latest planned dismissals would cut GM-H's workforce to 15,000, compared with 16,400 at the end of last year, and 19,300 a year earlier.

It was revealed this week that unemployment in Australia last month stood at 10.7 per cent (9.6 per cent seasonally adjusted).

GM-H said in Melbourne yesterday that 1,400 workers would have to go voluntarily by March 25, or it would sack them. The company plans to shed 700 jobs in South Australia, 600 in Victoria, and 90-100 in Queensland.

Last night, two senior Ministers, Senator John Button, Minister for Industry and Commerce, and Mr Ralph Willis, Minister for Employment and Industrial Relations, were instructed to try to halt the sackings.

● Mr Andrew Peacock, former Minister for Industry and Commerce in the Liberal-National Party Government, was endorsed yesterday as Liberal Party leader in succession to Mr Malcolm Fraser, who resigned the post in the wake of last weekend's election defeat.

After the election, Page g

Swedish pay strike deadline extended

Sweden's Prime Minister, Mr Olaf Palme, yesterday persuaded public sector blue-collar workers to extend their pay strige deadline by one day, our Stockholm Correspondent reports.

The workers had threatened to strike next Friday if a wag agreement could not be reached before then. Their strike could stop rail, sea and air traffic out of Sweden.

The employees are seeking compensation for wage drift comparable to that sought by private-sector workers. Wage drift compensation can go to relatively lower-paid workers when the national pay average exceeds the level agreed in Sweden's yearly central wage talks.

Yesterday, t2,000 private-sector blue-collar workers struck, to protest at an attempt by their employers to eliminate wage-drift compensation from this year's contract.

Transvaal election

One of two far-right opposition candidates—for the Herstigte Nasionale Party—has withdrawn from the May 10 by-election in Soutpansberg constituency in Northern Transvaal, increasing the chances that the ruling National Party will suffer its most humiliating electoral set-back since coming to power in 1948. Bernard Simon reports from Johannesburg. The sitting MP is the Mnister of Manpower, Mr Fanie Botha. The election will be a straight fight between Mr Botha and Mr Thomas Langley, of the far-right Conservative Party led by Dr Andries Treurnicbt.

Oslo licensing move

Norway's Government yesterday asked the Storting (parliament) tn approve the offer to oil companies of 46 additional blocks, for licensed areas, in five different parts of the Norwegian continental shelf, Fay Gjester report from Oslo. If the Storting agrees, applications will be invited this year.

Herzog chosen

Israel's opposition Labor Party yesterday picked the former general and diplomat, Mr Chaim Herzog, as its candidate In what pcomises to be a close race on March 22 for the ceremonial post of State President, AP reports from Tel Aviv. The ruling coalition's nominee, Supreme Court Justice Menachem Elon, is tipped to win.

Argentine news ban

Argentina's military Government yesterday banned the latest issue of the outspoken weekly magazine Quorum and threatened the mass circulation Slete Dias with closure, Jimmy Burns reports from Buenos Aires. The clamp-down follows warnings against the publication of attacks on the armed forces.

Moves continue to find country willing to take Nkomo

BY J. D. F. JONES IN GABORONE AND QUENTIN PEEL IN LONDON

BRITISH DIPLOMATS have contacted Mr Joshua Nkomo, the Zimbabwe opposition leader who fled to Botswana this week, about the possibility of his coming to London, a Foreign Office spokesman said yesterday. But senior officials have made it clear that his arrival would be a serious embarrassment.

The veteran nationalist politician was still stranded in Gaborone, the tiny Botswana capital, last night, as diplomatic manoeuvres continued to find a government willing to accept him in exile.

Mr Nkomo's wife has now been released from detention in Zimbabwe, but bis daughter and son-in-law are still in custody.

He cancelled plans at the last minute to take a charter aircraft to Johannesburg in order to catch last night's British Airways flight to Nairobi and London.

The Botswana Government is no longer concealing its concern tbat Mr Nkomo who fled across the order from Matabeleland last Tuesday, should move on as soon as possible.

It is believed that the Zimbabwe Government, with which Botswana is anxious to maintain good relations, has been forcefully expressing its anger at Botswana's willingness to give even temporary asylum to the ppposition leader.

The prospect of his taking refuge in Zambia, his pre-independence base in exile, receded yesterday with the pnblication of an outspoken editorial in the state-owned Times of Zambia, saying: "Zambia should have nothing to do with Mr Nkomo."

In New Delhi, Mr Robert Mugabe, the Prime Minister of Zimbabwe rejected Mr Nkomo's charges that he had ordered the opposition leader's death, and said he was welcome to return home, David Tonge reports.

Meanwhile, evidence of a growing crisis within Mr Nkomo's party, Zapu, surfaced in Harare yesterday with the announcement that a long-planned weekend meeting of the central committee had been postponed, Tony Hawkins reports.

The party's deputy-leader, Mr Josiah Chinamano, denied that the postponement had resulted from Mr Nkomo's sudden departure for Botswana, attributing the move to tha troubled situation in Matabeleland. But some prominent members have been saying privately that they will resign unless Mr Nkomo is deposed from the leadership.

Signs that the Mugabe Government, now rid of Mr Nkomo, may be getting ready to offer an olive branch to the Zapu moderates, are evident in a statement from the Information Minister, Mr Nathan Shamuyaria.

He attacked a leading article in the Herald newspaper which called for the expulsion of Zapu Ministers from tha Government, saying it was now time to call on Zapu patriots to close ranks with Zanu-PF and achieve the unity of purpose "opposed by Mr Nkomo."

Mauroy fate 'depends on Sunday poll'

By David Housego in Paris

THE FATE of the 21-month-old Government of M Pierre Mauroy, the French Prime Minister is seen here as banging on the outcome of the second round tomorrow in the municipal elections.

After the unexpectedly sharp rebuff to the Socialist — Communist coalition in the first round last Sunday, President François Mitterrand bas bad extensive consultations this week with ministers and political associates to prepare the ground for a probable Cabinet reshuffle and changes in policy. In part, the pressure on M Mitterrand to make an early change of team is the need to have a new Cabinet in place to negotiate a realignment of the French franc within the European Monetary System (EMS), and to put into effect measures to accompany a devaluation

The belief in Paris is that the president is now prepared for a stiffening of anti-inflationary policies, unpalatable to the Communists and the radicals in the Socialist party but linked to an adjustment which would include a substantial revaluation of the Deutsche Mark.

The less accommodating the West German Government is on this issue, the greater the pressures on M Mitterrand to seek curbs in France's import bill

M Mitterrand must decide whethed to displace M Mauroy or to carry out a more limited Cabinet reshuffle. To a great extent, his decision will hinge on the fate of the four senior ministers who risk defeat tomorrow. They are M Gaston Defferre, the Interior Minister, at Marseilles; M Jean-Pierre Chevenement, the Industry Minister, at Belfort; M Jacques Delors, the Finance Minister, at Clichy; and M Pierre Beregovoy, the Social Security Minister, at Nevers.

M Mauroy is also involved in a second-round fight at Lille but, though his total will be closely watched, he is unlikely to lose.

M Defferre has said that, if defeated, he would resign from the Government.

SPD aims to snatch state election victory

BY JONATHAN CARR IN BONN

WEST GERMANY'S opposition Social Democrats (SPD) are fighting back hard to win a regional election success tomorrow—one week after their sharp defeat in nationwide polling.

At stake is who will form the government for the next four years in Schleswig-Holstein—the country's northernmost state, ruled for over three decades by the Christian Democrats (CDU).

Most observers would treat an SPD success there now as something of a miracle—but the CDU Chancellor in Bonn, Herr Helmut Kohl, has warned his party not to treat the result as a foregone conclusion.

For one thing, there are fears that—so soon after a general election in which the CDU emerged on top—some conservative voters may feel complacent and not turn out at all.

Further, the Free Democrat Party (FDP)—which is in coalition with the CDU at national level in Bonn—has made clear it would be ready to form an alliance with the SPD in Schleswig-Holstein.

This regional stance is not to the taste of the FDP national chairman, Herr Hans-Dietrich Genscher, but he has proved unable to prevent it.

There is thus just a faint chance that the SPD and FDP together might snatch a victory. At the last Schleswig-Holstein election in 1979, the CDU won 48.3 per cent of the vote, the SPD 41.7 per cent and the FDP 5.7 per cent.

The ecologists and pacifist party, The Greens, gained no seats through that election, but there are signs that they could do so this time—implying another danger signal for the CDU.

With the Schleswig-Holstein poll very much in mind, Herr Kohl has tried to dampen speculation over the last week about the shape of his new Cabinet in Bonn. He did not want quarrelling over posts in any way to tarnish the victory image acquired in the general election.

It is now widely believed that Herr Franz Josef Strauss, the ebullient leader of the CDU's Bavarian sister-party, will not insist on a post in Herr Kohl's Cabinet.

But in return, Herr Strauss seems bound to press for excellent jobs, not least in Herr Kohl's Chancellery, for some of bis personal allies and friends.

Hopes of non-aligned policy shift dashed

BY DAVID TONGE IN NEW DELHI

The political document prepared by nearly 100 developing countries in New Delhi this week has dashed Western bopes that the non-aligned movement would adopt a more neutral attitude towards the U.S.

The document, which was due to be released yesterday, contains nearly 20 direct attacks on the U.S. and 10 indirect ones. In contrast the "Socialist countries" are praised for their support for the Palestinians and the Soviet Union is only mentioned by name in a plea for talks between Moscow and Washington on demilitarising the Indian Ocean.

On Monday, Mrs Indira Gandhi, India's Prime Minister, took pver the chairmanship of the movement from President Fidel Castro of Cuba who had spent four years trying to persuade the movement to accept the Soviet Union as its "natural ally."

Mrs Gandhi's presence and the restrained original political draft prepared by the Indians had raised Western expectations of a possible shift in the movement.

But the document, on which minor changes were still being made late last night, expresses the anger of Arab and many Latin American countries at U.S. policies. Over half the direct attacks on the U.S. are in connection with its support of "the Israeli entity." While "the European progressive stand" is praised, the U.S. is denounced for its approach to the Palestinians, its attack on the right of Syria to defend itself, and "for violating its commitment to the Palestinians in the Sabra and Chatila camps" in Lebanon.

Stephanie Gray writes: The non-aligned movement's pledge to back Mauritian calls for the restoration of sovereignty of Diego Garcia, leased by Britain to the U.S. as a naval base, has brought an angry response from the British government.

Whitehall officials say the movement should not have discussed the issue without taking into account Soviet bases elsewhere in the Indian Ocean. They objected that Britain had no right of reply in the debate and that the political forum had been used to take up what was a purely legal matter.

Senate may scrutinise bank tax advantages

BY ANATOLE KALETSKY IN WASHINGTON

THE TAX advantages enjoyed by U.S. banks, which resulted in leading banks paying almost no taxes on their domestic profits, have to be closely scrutinised, Mr Robert Dole, the influential chairman of the U.S. Senate's Finance Committee, said yesterday.

Mr Dole was opening a special round of finance committee hearings on bank taxation following an investigation of the nation's top 20 banks by the Congressional joint committee on taxation.

The taxation committee found the big banks enjoyed an effective average tax rate of only 2.7 per cent on their U.S.-based income in 1981. They paid total income taxes of $53m (£34.9m) on profits of $1.9bn, according to the committee's calculations.

Six of the 20 banks studied collected tax refunds or credits against future taxes, despite profits ranging from $8m to $154m. Bank of America, with profits of $154m, will receive a tax credit of $18m on its 1981 income, according to the study.

U.S. commercial banks paid much higher taxes on the profits from their foreign operations, however. The average overseas tax rate for the top 20 banks was 38.1 per cent. These taxes can be credited against U.S. domestic tax liabilities and this was one of the reasons for the banks' low U.S. tax rates.

Senator Dole said yesterday another "very significant factor" in the banks' U.S. tax advantages was their ownership of large tax-exempt portfolios

Mr Dole said his committee, which is responsible for steering all tax legislation through the Senate, may decide the banks should continue to enjoy tax advantages through their municipal bond investment "despite the inefficiency and windfalls for bond holders associated with this method of assisting states and local governments."

Walesa calls for protest

GRUDZIADZ — Mr Lech Walesa, head of the banned Solidarity trade union organisation, attending the trial of a union colleague in this northern Polish city yesterday, called fpr more "determined forms" of protests to counter political indictments of labour leaders.

His call came as workers at the Lenin shipyard at Gdansk, birthplace of Solidarity, demanded revival of the union. Leaflets to urge peaceful gatherings on Sunday and Monday, to commemorate the declaration of martial law on December 13 last year, were circulated in Gdansk.

"We demand the return of Solidarity to legal open activity and an end to all reprisals," said an unsigned letter, dated February 13 and purported to be from shipyard workers to the Polish parliament.

Officials at Gdansk said they could not confirm the authenticity of the letter, which had wide circulation in the Baltic port.

AP

French eschew vin ordinaire for the sake of their health

BY PAUL BETTS IN PARIS

FRENCH PLONK is in trouble. It is no longer the country's most popular drink. Only 44.5 per cent of Frenchmen drink it regularly with their meals. In contrast, 49.8 per cent these days drink plain water.

"Le vin se retire," M Daniel Boulet said rather sadly at the Paris Agricultural Fair this week. "I'm afraid tap water is taking its place. It may not be very pleasant but I supose it's free." M Boulet has just completed a comprehensive three-year study for the Institut National de la Recherche Agronomique (Inra) on the wine consumption habits of the French. His report makes interesting if alarming reading for the French table wine industry.

The consumption of tabla wine in France has been steadily declining since the late 1950s. Tha average wine consumption per persoo then was about 140 litres a year of which about 120 litres consisted of plonk. By 1980, the annual consumption figure bad dropped to about 100 litres with plonk accounting for about 80 litres.

"People are drinking 1.64 litres a year less ordinary wine. It is getting worse—the trend is accelerating," M Boulet remarked. "Out of 100 Frenchmen over the age of 14 (we don't consider anyone under that age as a serious wine-drinker), 22 never drink any wine, 46 drink it every day and 32 drink it occasionally. The younger generation, unlike their parents, tend to drink less and less wine regularly. They tend to drink better quality wines on special occasinns or when they go out, but not on a regular basis."

M Boulet has calculated that a Frenchman, who was drinking an average of about 23 litres of pure alcohol 20 years ago, is now drinking only about 20 litres of pure alcohol, and the share of vin ordinaire in his total alcohol consumption has declined during the last two decades from 65 per cent to barely over 50 per cent.

M Boulet and his colleagues at Inra attribute this decline in wine drinking in part to social change. The increasing shift towards urban life is in large measure to blame. M Boulet's atatistics show people living in small rural areas tend to drink more regularly, while in urban areas the trend is to drink on special occasions.

In towns of less than 3,000 people, about 40 per cent drink wine at every meal every day. In Paris, the figure drops to 29 per cent. Moreover, the general work patterns in modern city life disconrage drinking with meals.

Thus, as table wines appear to be losing popularity, more and more people are drinking higher priced, quality wines—the so-called vin d'appelation contrôlée. But while these better wines have not suffered a decline, their consumption in France has been growing only at a modest rate.

Coupled with the changing social paterns of the French, the other major reason for the decline in table wine drinking is France's own health kick. Indeed, 30.7 per cent of the French claim they do not drink wine every day with every meal because of its alcoholic content and other health worries. But M Boulet says the French Government's campaign against alcobolism has bad little direct impact.

In recent years, some analysts have suggested that the French have been increasingly turned off their own plonk because of its poor quality. But M Boulet and his team discovered that only 8.1 per cent were put off plonk drinking because of the quality of the wine.

M Boulet claimed all the research sbowed that water had become the main rival to table wine. Soft drinks, beer and an attempted comeback by cider have made little inroad on the domestic table wine market. "French table wine has become the prisoner of its own market," M Boulet said. And the outlook for the future looks particularly grim.

It is a prisoner of its own market because 95 per cent of all French table wine is drunk at meals, not as an aperitif, an after-dinner drink or a party drink, as happens abroad. "We have been slow at promoting our table wines abroad," M Boulet acknowledged. "I suppose we felt they were French and the best and there was no big need to market them heavily." Thus, in the U.S. market, for example, Italian wines have taken a big lead.

To improve the image of table wines, there has been an active programme during the past ten years of enhancing the quality of local wines and production. These wines are now called "vins de pays," creating a new if lesser echelon below the "vins d'appelation contrôlée."

But M Boulet and his colleagues believe this attempt to upgrade table wines bas failed so far because they face too many handicaps in penetrating the quality market where competition is already fierce. It is likely to get even fiercer this year as a result of the bumper harvest and what appears to be a developing wine glut.

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SAVINGS OFFERS

Civil Service job changes strengthen Treasury hand

BY ROBIN PAULEY

THE PRIME MINISTER completed her reorganisation of the senior civil service echelon yesterday by appointing two more Permanent Secretaries, further strengthening the hand of the Treasury over Whitehall.

Mr Alan Bailey, 51, a deputy secretary at the Treasury in charge of the industry group and, until last December, deputy head of the Think Tank (Central Policy Review Staff) is promoted to Second Permanent Secretary at the Treasury in charge of the public services sector. He takes over from Sir Anthony Rawlinson, who has been appointed Permanent Secretary at the Department of Trade.

Mr. Peter Le Cheminant, 56, Deputy Secretary at the Treasury in charge of civil service pay, moves to the Management and Personnel Office (MPO) as Second Permanent Secretary. He succeeds Mr John Cassels who leaves to become director-general of the National Economic Development Office.

Mr Bailey's appointment to a job which could only realistically have been filled from within the Treasury, nevertheless indicates a determination to have a strong intellect on the traditionally unglamorous public services spending side after a period during which Sir Anthony has never really appeared to be on top of his subject.

Mr Bailey was educated at Bedford School and Merton College, Oxford. He joined the Treasury in 1956 and transferred to the Civil Service Department in 1968. He went back to the Treasury in 1971 to deal with national economic planning before becoming Principal Private Secretary to the Chancellor.

He remained in the Treasury dealing with various subjects in economic and industrial policy. He served as deputy secretary in the public services sector under Sir Anthony before going to the Think Tank in 1981.

Mr Le Cheminant's appointment is the more interesting as it is a key indicator of the Government's real (as opposed to stated) position on departmental efficiency and financial management. Mr Cassels was appointed to this post previously on his record as a forceful manager, but his time has been an exceptional disappointment.

The Treasury has been the blocking department which has frustrated some major Rayner and MPO initiatives. It remains unenthusiastic about management controls in spite of the determination of Mr Leon Brittan, Chief Secretary at the Treasury, that the department should throw its weight behind better management.

The fact that Mr Le Cheminant is being appointed to the MPO from the Treasury, therefore, immediately begs the question of his commitment to management initiatives and controls.

Mr Le Cheminant starts with the benefit of the doubt, but Whitehall watchers are likely to be waiting anxiously to see whether he can escape the influences of the culture which has surrounded him at the Treasury for so many years.

Saint Piran asks for court release

By Raymond Hughes, Law Courts Correspondent

Saint Piran, a part of Mr Jim Raper's Gasco Investments group, yesterday asked a High Court judge to release it from an undertaking not to touch £6.1m of the £8m proceeds of sale of its subsidiary South Crofty, a Cornish tin mining company.

Mr John Lindsay, QC, for Saint Piran, told Mr Justice Walton that the unavailability of the money was "not just irksome" but "downright damaging" to Saint Piran's business.

Counsel said that Saint Piran's shares had been used as security for a loan made to Gasco by the Isle of Man-based Savings and Investment Bank.

Last year SIB sued for repayment of the loan and in March obtained a court order against Gasco and Saint Piran. Because of the order, which froze its assets, Saint Piran had been unable to sell South Crofty without the consent of SIB, which it could not get, or of the court.

Last September it obtained the court's consent by undertaking that £6.1m of the sale proceeds would be put into, and remain in, a special bank account.

Since then the situation had changed. SIB had had its banking licence revoked and was in insolvent winding-up and, apart from Saint Piran's undertaking, the order made last March had been abandoned.

Saint Piran need to have that last restraint on it removed, said Mr Lindsay.

The application, which is opposed by SIB, continues on Monday.

Guy de Jonquieres looks at the background to the IAL takeover

STC signals its independence

SINCE International Telephone and Telegraph (ITT) of the U.S. relinquished effective management control over Standard Telephones and Cables last autumn, STC has wasted no time in striking out on a bold new course

Its aim is to secure its future as an independent company in the fast-moving high-technology market.

The takeover of International Aeradio (IAL) and proposed acquisition of ITT's residual electronics activities in the UK will broaden STC's industrial base and enhance its international profile. As Sir Kenneth Corfield, STC's chairman, admitted yesterday, expansion into overseas markets other than cables and submarine systems has been limited until recently by constraints imposed by ITT.

About three-quarters of IAL's £133m turnover last year was generated overseas, and its activities are largely complementary to those of STC. From its core business in the management of airports, IAL has diversified profitably into a range of high-technology fields, including radio and data communications, computer systems, oceanography, meteorology and consultancy. Unaudited pre-tax profits last year were £10.1m

The addition of the various ITT electronics interests is unlikely to expand STC's overseas business greatly in the short term. But it will widen the company's portfolio of products and technologies and strengthen its distribution channels, improving its ability to tackle new market opportunities.

STC's need to diversify has been made more urgent by the uncertainties resulting from the recent shake-up in its UK telecommunications equipment business. Its recent withdrawal from the production of System X electronic digital exchanges reduces its share in public switching, though it has been compensated by British Telecom with guaranteed—and highly profitable—orders for the older TXE 4A exchanges for the next five years.

At the same time STC, like GEC and Plessey, must cope with the unsettling effects of the liberalisation of the UK market for subscriber apparatus. Though it hopes to continue to supply sizeable amounts of equipment to British Telecom, it is well aware that increased competition and faster technological change mean this will no longer be the stable business it once was. STC is seeking to offset the impact of these changes by stepping up sales abroad, notably in the U.S., and could well find itself competing directly against ITT.

STC RESULTS FOR YEAR TO DECEMBER 31, 1982	
Sales	£628.5m
Exports contribution	£143m
Pre-tax profit	£64.3m
IAL 1982 RESULTS	
Turnover	£133m
Middle East contribution	60%
UK and Rest of World	40%
Pre-tax profit	£10.1m

Sir Kenneth Corfield claims that STC's acquisition of ITT Semiconductors, which produced a £200,000 pre-tax profit last year on sales of £19.5m and assets of £8.3m, will endow it with one of Europe's most modern integrated circuit plants.

The plant is already making the latest generation of 64-K random access memories, key components in a wide variety of electronic systems. STC plans to increase its involvement in so-called custom chips, which are tailor-made for specific functions.

ITT-IDEC, which specialises in producing software (programming) for communications systems, should provide valuable expertise needed in future growth markets such as office automation. The company had a £300,000 pre-tax profit on sales of £8.5m last year.

STC's third and biggest purchase from ITT, the consumer electronics activity, had sales last year of £52.7m. But it incurred a loss of £3.8m, partly due to restructuring costs. Sir Kenneth admitted yesterday that it might also seem to be the most questionable of the acquisitions.

The company's manufacturing activities have been wound down and its business consists of sales and rental of products, some of them supplied by ITT's West German manufacturing subsidiary. STC apparently hopes the company's distribution network will enable it to participate in consumer-oriented businesses including cable television.

While STC apparently intends to maintain IAL's identity by keeping it as a separate subsidiary, the acquisitions from ITT — which have been managed by STC for the past two to three years — will be integrated into a new group structure.

It has drawn up a blueprint for turning itself into a decentralised company broadly along the lines of GEC. Responsibility for operating decisions will be devolved to newly-constituted operating companies, while a slimmed-down STC headquarters staff will confine itself largely to overall financial control and supervising the development and application of technology.

Three of the new groups have already been announced: STC Telecommunications will embrace main exchanges, transmission, terminals and circuits; Business Systems will include telecommunications apparatus and business equipment; International Communications will take over cables and submarine systems.

Two other groups are being formed. One, to be called Residential Products, will be built around the consumer electronics activities, and the other will include STC's laboratories, IDEC and new product development. Sir Kenneth hopes to turn the latter group into a profit centre in its own right.

Restructuring on this scale, and the underlying major shift in corporate strategy, would almost certainly have been more difficult while STC was still beholden to the wider international interests of ITT.

STC executives clearly relish their new-found freedom from the control of their former U.S. parent. STC celebrated its centenary last month with the publication of a corporate history. "If that book had appeared while we were still controlled by ITT, not one word of it could have been printed without being vetted in the U.S.," one STC executive said with evident relief this week.

Sir Kenneth Corfield, STC chairman

Cadulac calls in liquidator

CADULAC CHEMICALS, a company based in Haydock, Lancashire, which specialised in rust-proofing cars, went into voluntary liquidation yesterday. It had debts of nearly £335,000.

The company suffered a setback in December when BL withdrew from the Cadulac treatment scheme. About 65 per cent of the company's business was rust-proofing new and second-hand BL cars.

Mr Peter Lomax, the liquidator, said negotiations were taking place with another rust-proofing company, which he did not name, for the takeover of warranties issued to motorists since April 1982. An estimated 100,000 owners of BL cars hold warranties.

General Accident to lift motor insurance premiums

BY ERIC SHORT

THE General Accident Group, Britain's largest motor insurer, is to raise its premium rates on April 1. This follows an increase in rates last August.

Hardest hit will be drivers in the 23-24 age group, for which rates will rise by 8 per cent. Premiums for the 17-22 and 25-29 age groups will be lifted by 5 per cent. For drivers aged 30-49 the increase is 3 per cent, while for those aged 50 or over the rates will not change.

Last August, GA raised premiums by 6½ per cent after a two-year freeze.

GA reported underwriting losses of £20m last year on its UK motor account. The number of claims rose sharply during the final months of 1982 and apparently the rate increase last August was too small.

Surprisingly, there is no change for the older driver. There is very keen competition between insurance companies for private motor business, especially for older drivers, who are regarded as good risks.

Royal Insurance and Sun Alliance Group has seen its portfolios increase through its special scheme at lower premium rates for drivers aged 50 or over.

Dental, optical charges to rise

By Gareth Griffiths

NATIONAL Health Service charges for dental treatment and spectacle lenses are to go up by between 3 per cent and 5½ per cent from April 1.

This means that the maximum charge for routine dental treatment will go up from £13 to £13.50 and for more complex dental treatment from £90 to £95.

The Department of Health is increasing the maximum charge for spectacle lenses by 3 per cent from £15 to £15.50 per lens. However, for the strongest single vision lenses there are slight price cuts from a maximum of £9.25 to £8.95.

Five hotels to be built by Comfort and partner

BY JAMES McDONALD

COMFORT HOTELS International, in partnership with an unnamed financial group, is to spend £10m to build a chain of five hotels in the UK over the next two years.

The first of the Comfort Inns chain should be opened in Swansea next year. Each hotel, geared to local needs, is likely to be sited outside city centres. Hence, the modest average £2m cost of a standard unit offering 120 rooms with private facilities, colour television, radio and in-house films. Public areas will include indoor heated swimming pools, adaptable public rooms, restaurant and bar.

Mr Henry J. Edwards, chairman and chief executive of Comfort Hotels International and a former Grand Metropolitan director, yesterday declined to name the financial group involved in the joint company. He said there was no connection with any other hotel or catering group.

Most of Comfort Hotels' business in Britain is concentrated in London. Mr Edwards said, however, there were no plans for hotels in the London area in this building programme.

Comfort owns or operates 30 hotels. Of these, 14 are in the UK, 12 in London in the two- to four-star category.

● Garfunkels restaurant chain is to open four more restaurants in London's West End, at a cost of £830,000, bringing its total to 15, the company said

Report may hit Distalgesic sales

BY CARLA RAPOPORT

SALES OF Britain's best-selling painkiller, Distalgesic, could be affected by a new round of controversy over the drug's alleged effects.

The Committee on Safety in Medicines has asked its secretariat to consider any new evidence on the drug following a highly critical review in a recent issue of Drug and Therapeutics Bulletin, a fortnightly published by the Consumers' Association.

Distalgesic has sales of about £10m a year, which is around 15 per cent of the UK prescription analgesic market.

The drug is distributed in the UK by Dista Products, a subsidiary of Eli Lilly, the U.S. pharmaceutical company. Last August, Lilly withdrew its anti-arthritic drug Opren following reports of severe side-effects and deaths of patients who had used the drug.

Dr Wilson Totten, medical adviser to Dista Products, yesterday defended Distalgesic, saying it had been used safely by patients in Britain for 19 years. Dr Totten said: "There has been no record of any deaths or serious side effects in literally billions of dosages when the product has been taken according to a doctor's prescription."

Dr Andrew Herxheimer, senior lecturer in clinical pharmacology at Charing Cross Medical School and author of the latest report on Distalgesic, said yesterday that Lilly had not produced any evidence on how the drug is used by the body.

He claimed there was now increasing evidence that Distalgesic may "pile up" in the body, causing toxic side-effects in patients, particularly the elderly.

Dr Herxheimer's report, which is a compilation of recent medical research on Distalgesic, claims that the drug has "few advantages and several disadvantages" in comparison with paracetamol, a non-prescription analgesic.

The Drug and Therapeutics Bulletin did not call for a withdrawal of the drug, but urged doctors to reduce their prescriptions for the drug.

The Health Department said yesterday that if the Committee on Safety of Medicines discovered any new evidence on Distalgesic, the committee would consider taking action. The department pointed out that the drug had been thoroughly reviewed in 1980, and said Dr Herxheimer's report did not seem to add anything further to what was known about the drug at that time.

Mark Meredith on islanders' prospects now the Sullom Voe terminal is complete

Hangover follows the oil party in Shetland

WORK ON the vast Sullom Voe oil terminal, which brought unheard-of prosperity and even repopulation to Shetland, is over and some grim reckoning has set in. Only further oil exploration to the north-east of the islands or in the unfriendly deep reaches of the North Atlantic can bring much of that prosperity back.

Europe's largest oil and liquefied gas terminal has been completed in the bleak northern reaches of the main island. At the peak of construction it employed as many as 7,000 people. Money flowed, hotels were overbooked and the economy overheated.

The terminal, built at a cost of £1.2bn, is the landfall for oil from a cluster of fields to the north-east of the island. The Brent and Ninian pipelines bring in about three-quarters of the UK's requirements of oil for gas separation, storage and shipment out by tanker.

Work was completed in December and the terminal then moved into its operational stage, requiring a staff of only about 800. The islanders knew it bad to end, but it has meant a painful adjustment.

Unamployment, though small, has doubled in three years; Shetlsod Island Council bas a £150m debt for serving the terminal with water, roads and sewage treatment; and tha population has started to drop, which is always a disheartening sign of economic decline.

But possibly the greatest reverse has been in the expected revenue from the oil industry. By applying two derating regulations, the consortium of 30 oil companies pumping oil into Sullom Voe has cut the island council's poteotial rates income from £55m to £25m.

The move has not taken the council completely by surprise and it bad budgeted for the worst, hut the impact of the derating has been to burden a population of only 23,000 with a large cost.

Setting up the service infrastructure for Sullom Voe bas left the island council with a debt which works out at £12,000 per family.

Tha Island council argues that oil produced through the terminal is for the good of the nation and the islanders should not have to meet the cost. But the Scottish Office, which has been putting pressure on the regions to cut expenditure, will not increase Shetland's rate support grant at a time when other councils are finding theirs trimmed.

The island council is now looking for ways to compensate for the shortfall. For example, it would like to renegotiate the disturbance allowance paid into a charitable fund by the oil companies.

The payments are worth about £187,500 a quarter. This is a floor figure, rising as oil throughput increases. At present 1.1m barrels a day flow through the terminal, but this is below the 1.4m barrels foreseen, so revenue is not as high as was predicted. The council wants to activate a renegotiating clause.

The charitable trust is used to channel money into parts of the islands' economy which have not benefited from the prosperity brought by oil. A new marketing drive in knitwear and fishing are the main beneficiaries.

A second reserve fund based on tanker throughput will bring in £2-£4m this year.

A third card, as yet unplayed by the council, could be to demand rent from the oil companies for the council land they occupy at Sullom Voe.

The islands want to make the best out of the momentum given by Sullom Voe. To a male islander, this could mean enjoying the extension to his cottage built on the £250-a-week earned hy his wife working on the catering staff in the construction villages.

But while oil is still the main source of employment, most attention is given to knitting and fishing. Mr John Burgess, the islands' development officer, says there would he little sense trying to appeal to new industrial sectors such as electronics in this part of the world.

The knitwear industry has recently adopted a trade mark to protect the faltering industry from outside imitations. A spinning plant is planned so that Shetland wool will not need to be shipped south before being hrought back as yarn for knitting.

Improved marketing may also help the islands' fiercely-independent fishermen, wbo have fired some of the autonomy movement in Shatland.

The Shetland movement has helped give voice to island dislikes of being grouped with Scotland and of other forms of centralisation. It rejects separatism but wants greater regionalism to negotiate special treatment in matters such as fishing.

The coming general election could well test for the first time regional desire for autonomy. Tha Shetlsnd movement and representatives from the Orkney movement to the south meet shortly to decide whether to 6eld a parliamentary candidate.

The decision of Mr Jo Grimond to retire has thrown opeo the political options in the northern islands.

The Shetland islanders have many oopes oinned on future oil exploration to the north-east and into deeper parts of the Western Atlantic, when the islands could come into their own as a forward hase.

Lerwick Harbour is one of the continued success stories in the islands with profits of £2.5m, mostly from North Sea oil service activity at its 30 berths.

Lerwick trades heavily on its position al half Aberdeen's distance from the Brent or Ninian 6elds. But while distance works in Shetland's favour here, it dictates against the islands' power to attract tourists.

The harbour trust, defying the trend in hotel bookins, is building a 68-bed hotel on its property to be managed hy Grand Metropolitan with tourism in mind.

Air traffic to Shetland remains a prohlem. Sumburgh Airport at the southern tip was built for the oil rush which never came. A £30m investment now stands idle with traffic dwindling from 600,000 in 1979 to 260,000 last year and fewer people still expected this year.

Fidentia links with Lloyd's established

By John Moore, City Correspondent

A FORMAL inquiry team at Lloyd's of London, the insurance market, is continuing its investigations into the relationship of Lloyd's hrokers and working underwriters with the Fidentia Marine Insurance Company of Bermuda.

The inquiry team, led by Mr Anthony Colman QC, this week submitted an interim report to the Lloyd's committee which led to Lloyd's giving notice to two underwriters, Mr Raymond Brooks and Mr Terence Dooley, that it is to consider suspending them under Lloyd's by-laws.

So far the inquiry team has studied the involvement of the two underwriters with Fidentia, which was set up by them in 1971 through a holding company of Mr Brooks's and Mr Dooley's agency company, Brooks and Dooley. The holding company, Brookgate Investments, sold the Fidentia to unnamed interests in 1978 for £895,520. Fidentia had assets of £7.75m.

The inquiry team has established that the Fidentia received substantial reinsurance husiness from Lloyd's syndicates under management of the Brooks and Dooley Underwriting Agency and also established that the Fidentia still has a relationship with the two underwriters.

In a letter sent to all underwriting members at Lloyd's whose affairs the agency looks after—sent ont last night at the instigation of Lloyd's — Mr Brooks explains that while Fidentia had heen disposed of to a subsidiary of another Bermuda company, the company's shares were purchased in April 1978 by another Bermnda holding company, the shares of which are owned by trustees of a discretionary trust.

"The trustees are two partners in a leading firm of Bermudian lawyers. Mr Brooks, Mr Dooley and certain memhers of their respective families are among the discretionary objects of that trust," says the letter to underwriting members.

After legal advice the agency has discovered that the discretionary objects of the trust have an indirect interest in Fidentia.

The members of the syndicates affected have been promised that they will soon receive financial information on the position.

Vauxhall workers vote to continue import ban on S car

BY DAVID GOODHART, LABOUR STAFF

WORKERS at Vauxhall's Luton plant yesterday defied expectation by voting to continue their ban on the import of the General Motors Spanish-built S car due to be launched at the end of next month.

Elsewhere in the motor industry Ford and BL continued to be hit by the recent spate of unofficial strikes which on top of halting production of the Metro now threatens BL's recently launched Maestro.

Tha Vauxhall rejection by a clear majority of the 6,000 workers in the Transport and General Workers' Union and the Amalgamated Union of Engineering Workers was taken against union advice and followed the decision earlier in the week by 2,000 Vauxhall workers at Ellesmere Port, Merseyside, to accept the company's five-point compromise package.

The blacking of the S car is still not certain. A number of other workers still have to vote on the issue and Mr Grenville Hawley, the TGWU's automotive secretary, said last night that union officials would meet next week to review the situation.

If that meeting decides that a majority have opted for action the TGWU executive has pledged the support of the dockers and lorry drivers in blocking the entry of tha S car.

It is not certain that support would be forthcoming from the dockers and there is still the possibility of mass unlawful secondary picketing of ports.

The company has, however, agreed not to go ahead with the planned import of 27,000 S cars this year until agreement is reached with the unions. The first batch was due into the port of Bristol early next week ready for an April 29 launch.

Meanwhile, shop stewards at BL's Longbridge plant in Birmingham, on Monday, are expected to make a third attempt to persuade 200 foremen and fork-lift truck drivers to end their unofficial strike over alleged police harassment.

The strike — which began on Thursday — led yesterday to the laying-off of 5,000 workers and lost production of 1,500 Minis, Metros and Itals with a showroom value of £8m. The walk-out started after several police raids on the homes of Longhridge workers.

The unofficial strike at Ford Halewood looks set to go on until at least Tuesday when stewards have called a meeting of the 4,500 assembly plant workers who went on strike following the dismissal of Mr Paul Kelly, 25, for allegedly damaging a small hracket in a car. About 3,700 men in the body plant have now been laid off and the strike has so far cost production of 3,000 Escorts worth £15m.

Building society receipts fall for fourth month

BY MICHAEL CASSELL

BUILDING SOCIETY receipts fell for the fourth month running in February. Some societies now say they are being forced to impose restrictions on lending.

Net receipts in February fell to £386m, almost unchanged from January, and are unlikely to show much improvement this month. A total of £1.45bn was lent to home buyers while just over £600m was paid off mortgage debts. A further £1.67bn was promised to mortgage applicants, returning commitments to the levels achieved last autumn.

Mr Richard Weir, secretary general of the Building Societies Association, said societies were still being forced to draw on liquid funds to maintain high lending programmes.

He did not believe the shortage of finance had become serious but some societies were experiencing difficulty in meeting all mortgage demand and had to introduce restrictions. In some cases, only existing investors are being helped while the earnings multiplier—which determines how large a mortgage is offered — is being reduced.

Last month the societies took in £2.54bn in gross receipts, the lowest monthly total since last May and a clear reflection of their recently weak competitive position in the savings market.

A small reduction last week in the National Savings Bank investment account rate, together with a similar impending cut in the National Savings income bond rate, may help the societies regain some lost ground. But their major hopes must remain pinned on a further general lowering of interest rates.

New port for Liverpool's Dublin ferry

Financial Times Reporter

THE Mersey Docks and Harbour Company has agreed after almost a year's negotiations to build a new ferry port for the B&I Lines daily service between Liverpool and Dublin.

The new terminal will be built at the north Brocklebank dock, downriver from the existing one.

EEC grant

The work is expected to cost at least £500,000 and an EEC grant has been applied for.

The terminal should be operational by the end of the year. It will provide under-cover accommodation for 40 passengers and a marshalling area for vehicles.

Government pledge on Health and Safety body

BY IVOR OWEN

MR John Selwyn Gummer, Under Secretary for Employment, told the Commons yesterday that there is no truth whatever in "scare stories" that the Government intends to abolish the Health and Safety Commission.

While acknowledging criticism of the restrictions placed on the size of the factory inspectorate, he said that each year since taking office the Government had provided the Commission with greater resources than it had received in the final year of the last Labour government.

Mr Gummer underlined the importance of reducing industrial noise and said deafoess was second only to back pain in the health hazards league tahle.

It was necessary to end the misleading image that deafness was unimportant or "something to be laughed at."

Mr Barry Jones, an Opposition junior spokesman on employment, promised that the next Labour government would enhance the role of the Health and Safety Commission to ensure it was properly equipped to deal with the current and potential dangers of workers engaged in new production processes.

The cuts imposed by the Government on the Commission's budget would be restored.

Mr Michael Grylls (Cons., Surrey North-West), chairman of the Conservative Backbench Industry Committee, called for arrangements to exempt small businesses from unnecessarily bureaucratic procedures.

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He suggested that a smaller firm's representative should serva on the Commission because its members drawn from the CBI and TUC were mainly concerned with larger eoterprises.

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	%	Others
Abbey National	6.00	6.25	7.50	7.25	1-year high option, 7.25 6 years sixty plus, 6.75 min. £100, 7 days' notice no interest lost
Aid to Thrift	7.00	7.25	—	—	
Alliance	6.00	6.25	7.75	7.25	3 years Money Monthly £1,000 min. Interest paid monthly
Anglia	6.00	6.25	7.25	7.25	3 yrs., 2 mths.' withdrwl. notice
Birmingham and Bridgwater	6.00	6.25	7.75	7.25	Extra Interest Shares
Bradford and Bingley	5.75	6.25	7.25	7.00	1 m. not. or on dem. (int. pen.) 7.25 High I. a/c 3 m. not. (no pen.)
Britannia	6.00	6.25	7.25	7.25	Option Bond, 7.25 2 mths.' not.
Cardiff	6.00	7.00	7.75	—	
Cardiff	—	*7.50	—	—	* Share a/c bal. £10,000 & over
Catholic	6.00	6.50	7.50	7.50	6 months' deposit, £500 min.
Century (Edinburgh)	6.50	7.00	—	8.00	2-4 years
Chelsea	6.00	6.25	7.25	7.70	3 yrs., £1,000 min. im. wdl. pen.
Cheltenham and Gloucester	6.00	6.25	7.35	—	
Cheltenham and Gloucester	—	7.25	—	—	Gold Account—savings of £1,000 or more. No notice—no penalty
Citizens Regency	6.00	6.50	8.00	7.50	3 yrs. Double Option shs. 7.40
City of London (The)	6.25	6.60	7.50	8.00	£10,000-£30,000, monthly income, 3 months' notice no penalty
Coventry Economic	6.00	6.25	7.50	7.75	4 yrs., 7.50 3 yrs., 7.25 3 mths.
Derbyshira	6.00	6.25	7.50		6.75-7.35 (3 months' notice)
Greenwich	6.00	6.50	7.75	7.75	2 yrs., 7.50 28-day pen./notice
Guardian	6.00	6.50	—	8.25	6 mth., 7.75 3 mth., £1,000 min.
Halifax	6.00	6.25	7.25	7.25	Extra Interest Plus, 3 months' wdl. notice or loss of interest
Heart of England	6.00	6.25	7.50	7.00	1 mth. not., 7.25 flexi. tm. 3 yr.
Hemel Hempstead	6.00	6.25	7.50	7.75	3 yrs., 7.50 3 months
Hendon	6.50	7.25	—	8.00	6 months, 7.75 3 months
Lambeth	6.00	6.50	7.75	8.00	6 mths., 7.75 28 days, 7.25 3 m.
Leamington Spa	6.10	6.35	6.60	—	
Leeds and Holbeck	6.00	6.25	8.00	7.75	5 yrs., 3 mths.' interest penalty
Leeds Permanent	6.00	6.25	7.25	7.25	MRAS, 7.00 E.I. a/c £500 min.
Leicester	6.00	6.25	7.25	7.25	3 yrs., 7.25 3 months
London Grosvenor	6.00	6.60	8.50	7.10	3 mths.' notice 1 mth. int. pen.
London Permanent	6.00	6.75	—	7.50	1 m. not. or on dem. (int. pen.)
Midshires	6.00	6.25	7.50	7.25	1 year, 3 months' notice no pen.
Mornington	6.80	7.30	—	—	
National Counties	6.25	6.55	7.55	8.00	28 days, 8.25 6 mths., £500 min.
National and Provincial	6.00	6.25	7.25	7.50	3 years, 7.00 1 month
Nationwide	6.00	6.25	7.25	7.25	3 yrs., £500 min. imm. wdl. with penalty. Bonus a/c 7.00 £500 min. imm. wdl. with penalty
Newcastle	6.00	6.25	7.50	7.75	4 yrs., 7.25 28 days' notice, or on demand 28 days' int. penalty
New Cross	6.75	7.00	—		7.00-8.00 on share accs., depending on min. halance over 6 months
Northern Rock	6.00	6.25	7.50	7.00	High int. sh. 7.25 Prem. share
Norwich	6.00	6.25	7.50	7.25	3 yrs., 7.00 2 yrs.
Paddington	5.75	6.75	8.25	7.25	7 days' notice
Peckham	6.75	7.00	—	7.50	2 y., 8.00 3 y., 8.50 4 y., 7.25 Bns.
Portman	6.00	6.25	7.75	7.00	1 mth., 7.25 6 mths., 7.25 5 yrs.
Portsmouth	6.35	6.55	8.05	8.40	5 yrs., 8.00 6 mths., 7.50 1 mth.
Property Owners	6.25	6.75	8.25	8.25	4 yrs., 8.25 6 mths., 7.75 3 mths.
Scarborough	6.00	6.25	7.50	7.25	Retirement Boods (2nd issue), 7.25 Money Care + free life ins.
Skipton	6.00	6.25	7.50		7.00-7.15 (1 mth.) 7.25 3 yrs.
Sussex County	6.16	6.40	8.15		6.90-7.90 all with withdrawal option
Sussex Mutual	6.25	6.50	8.00		6.75-8.00
Thrift	6.15	7.15	—	9.15	5 yrs. term. Other accnts. avail.
Town and Country	6.00	6.25	7.50	7.50	3 yrs., 60 days' wdl. notice 7.50 imm. wdl. 28 days' interest loss
Wessex	6.25	7.30	—	—	
Woolwich	6.00	6.25	7.25	7.25	90 days (int. loss), 7.25 Special Interest Shares 90 days' not. or imm. wdl. with 90 days' int. loss (min. £500), 7.00 immed. wdl. 28 days' interest loss
Yorkshire formerly Huddersfield & Bradford and West Yorkshire	6.00	6.25	7.25	7.25	5 Star Bood min. £500, 2 mths.' not. with pen., 7.25 Golden key imm. wdl. 28 days' pen. interest

All these rates are after basic rate tax liability has been settled on behalf of tha investor.

Midland marginals 'face close three-party' polls

BY PETER RIDDELL, POLITICAL EDITOR

CLOSE three-party contests look likely for several key marginal parliamentary seats in the Midlands, according to opinion polls in Derby North and Birmingham Selly Oak.

Conducted for Central Television's weekly political programme last night, they predict that the Conservatives would win both seats if an election was held, hut only narrowly, and subject to a big margin of error.

In Derby North the Tories would take 35 per cent of the vote, against 32 per cent for the Liberal-Social Democratic Party Alliance and 31 per cent for Lahour. At the 1979 General Election Mr Philip Whitehead, Lahour, had a 214 majority.

In Birmingham Selly Oak the poll shows Tories with 39 per cent, against 34 per cent for Labour and 21 per cent for tha Alliance. In 1979 Mr Anthony Beaumont-Dark, Tory, bad a 4,475 majority.

The polls covered only 440 voters in Derby and 347 in Birmingham. These were interviewed last weekend by random sample from the electoral register.

The sampla's small size means there is a large margin for error. The safest conclusion, then, is probably that tha contest could well be close in both seats, which are typical of many in the Midlands. Further the poll may take insufficient account of the impact of personalities. For example, Mr Whitehead successfully countered the national swing against Lahour in 1979.

None the less the polls confirm rising feeling among Tory MPs that they should not be complacent about general election prospects.

The poll also shows that 58 per cent of the sample thinks the Tories will win the next General Election, compared with 15 per cent Labour and 9 per cent tha Alliance.

Shipping company appeal on lost profit chance fails

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

A GREEK company lost the chance of a $500,000 (£331,000) profit through its own unreasonable conduct and not as a result of an admitted hreach by the Norwegian company from which it contracted to buy a ship, the Court of Appeal decided yestarday.

Tha Master of the Rolls, Sir John Donaldson, said Sotiris Shipping contracted to huy the Solholt from Samiet Solhort for $5m.

Delivery was to be by August 31 1979, but was made a day or two late and Sotiris exercised its contractual right to cancel the agreement.

Sir John said that why it did so was something of a mystery, hecause on August 31 tha vessel's market value had increased to $5.5m.

In tha Commercisl Court Mr Justice Staughton held that Samiet had been in default in failing to deliver on time and that Sotiris would he entitled to compensation of $500,000—tha difference hetween the contract and market prices.

But he dismissed Sotiris's claim for that sum on the ground that the company bad failed to mitigate its loss by negotiating a further contract at the original price.

The result was that Samiet made a $500,000 profit through its breach of contract and Sotiris sustained an equivalent loss.

Dismissing Sotiris's appeal, Sir John said the loss was directly attribntable to Sameit's breach unless it har been avoidabel by some reasonable further action hy Sotiris.

Whether a loss was so avoidable was a question of fact to he decided by tha trial judge on the evidence. Mr Justice Staughton was an experienced commercial judge and Sotiris had not satisfied the appeal court that he bad erred in deciding that Sotiris had acted unreasonably in not taking steps to mitigate its loss, said Sir John.

Job losses row halts newspaper

PRODUCTION of the Evening Post and Chronicle at Wigan was halted yesterday in a row over compulsory redundancies.

Print workers said management had gone back on an agreement that there would only be voluntary job losses resulting from a reorganisation plan.

Redundancy notices have been issued to 19 NGA members and the union said there will be no publication of the evening paper until the situation is resolved.

February boost for car production

By Kenneth Gooding, Motor Industry Correspondent

CAR PRODUCTION in February showed a noticeable improvement on recent months but commercial vehicle outpnt was only slightly np from the low Jannary figure and remained well below the improved levels of last autumn.

The Department of Industry says the lower commercial vehicle outpnt reflects a marked deterioration in export prodnction—although output for the domestic market continned to benefit from improved UK demand.

On a seasonally adjusted hasis, car prodnction in February was 82,000 compared with 80,000 in tha same month last year and only 67,000 in January.

Britain's car makers have not stopped the slide in outpnt and in the latest six months production was 4 per cent below the previous six-month period.

Strikes at BL's Longbridge plant on the Metro lines and at Halewood where the Ford Escort is msde will affect the March statistics hnt in the longer run production should benefit from Maestro production this year and a higher level of Sierra outpnt at Ford's Dagenham plant.

Commercial vehicle outpnt, on a seasonally adjusted hasis, was 21,000 in February compared with 22,300 in the same month of 1982 and 20,700 in January. Production of commercials in the latest six months was 4.6 per cent above that for the previous six-month period.

● The French-owned Peugeot-Talbot company is the latest to annonnce car price rises. In the first increase for a year prices go np by an average of 4.9 per cent.

Shop workers' wage rise is reduced

BY DAVID GOODHART, LABOUR STAFF

A WAGE rise of 8 per cent recommended by the Non-Food Wages Council for 570,000 shop workers has been reduced to 7 per cent after calls from employers and a letter from Mr Norman Tebhit, Employment Secretary, attacking the original proposal.

Mr Norman Tebhit's intervention was described by tha shopworkers union, Usdaw, as: "cruclal in persuading the independent members of the council to change their minds."

The original recommendation for an 8 per cent rise was agreed hy the independent and the employees side of the council with the employers walking out. It would have raised the legal minimum rate for a skilled shop assistant by £5 to £67.50. Yesterday's revised increase will give a 6 per cent rise—at a new rate of £66.25—from April 4 and the extra 2 per cent from October 3.

Mr Tebhit's letter was only one factor in helping to change the Council's stance according to Mr Gordon MacWilliam Kain, leader of the employers' side. He said that nearly 800 representations from employers—almost twice as many as last year—and the lower rate of inflation had been inflnential factors.

The letter, sent to the chairmen of the Food and Non-Food retail wages councils, said: "It is ahundantly clear that, if not modified, the proposals (for an 8 per cent rise in both councils) will have damaging effects on employment in the industry. I trust that you will give tha most serious consideration to the representations on this point that you will no douht receive."

Tha union condemned this intervention as unprecedented and there was also some hostility to the letter from the independents and members of the employers side. It will not be receiving a formal reply.

Health authorities in NHS pay plan call

BY JOHN LLOYD, LABOUR EDITOR

HEALTH AUTHORITIES in England and Wales have called for a new system of pay determination, within the National Health Service, geared to establishing and msintaining comparability with tha private sector and aimed at avoiding industrial action.

A document from the authorities published yesterday, on the future of pay in the service, the scene of a long and damaging series of industrial actions last year, is a response to a consultative document on pay issued by tha National Association of Health Authorities last November.

The authorities are sharply critical of the Government's attitude to the service, noting that "in recent years there has been a growing tendency to underfund the NHS in relation to the pay settlements negotiated. The association views this development with great concern and believes that in future the total funding of the NHS should be treated separately from the question of pay determination.

The report says that the three "key pay principles" to be adopted by Government are:

● The NHS should have a system of establishing and maintaining comparability with the private sector as the Megaw Report has recommended for the Civil Service.

● There should be a system of determining and maintaining appropriate internal relativities between NHS staff.

● The system of pay determination adopted should seek, as far as possible, to avoid industrial action within the NHS.

Remnants of miners' action set to be called off

BY JOHN LLOYD AND ROBIN REEVES

THE LAST remnants of the mineworkers' attempts at national industrial action against pit closures seems certain to be called off today, as delegates from South Wales pits meet to consider a call from their area executive to end their strike.

The decision to call for an end to the strike, made yesterday by the South Wales mineworkers' executive, was rendered inevitable by the 61:39 per cent vote against strike action registered nationally.

Mr Emlyn Williams, the South Wales area president, said: "We felt that we have been kicked in the stomach. There is an air of deep dismay that we have been so badly let down."

Mr Williams warned the South Wales Coal Board that the Welsh miners had twice voted against closures, and that it should "not rush the miners here."

However, the Welsh board will be under immediate pressure both to complete the closure of Tymawr-Lewis Merthyr, and to start discussions on other loss making pits. The area is the biggest loss-maker in the British coalfield.

THE WEEK IN THE MARKETS

Market rides high on oil rumour

LONDON

ONLOOKER

In the absence of a concrete statement from the Opec ministers the London market was ready to pounce on unfounded reports that they had reached an agreement over oil prices that might prevent a rapid downward spiral.

This together with a resounding "No" vote against a strike over closures by the miners triggered a surge in the equity market which took the main indicators to all time highs. On Thursday the FT Industrial Ordinary share index closed at a record 670.2.

The optimism even helped sterling which, despite massaging by the Bank of England, had been wavering below $1.50 and had touched a historic low. By yesterday the Opec men were still talking and fading hopes of an early agreement began to be reflected in the market.

Fears of a rise of short term interest rates in the U.S. and tha weakness of sterling kept gilt-edged stocks in a depressed mood for much of the time. However even they benefited from the anticipated agreement on oil.

The FT Industrial index closed the week down only closed the week up 3.0 at 663.3 and sterling remained a little steadier against the dollar but the trade weighted average was down 0.2 at 79.4.

Oil men report

While Opec delegates were closeted in the Intercontinental Hotel last week, doggedly deliberating on a downward revision in the oil reference price, Thursday's profit announcements from three leading oil companies sent prices of all the major oil stocks scurrying upwards. The results were encouraging without exception.

Royal Dutch/Shell, which tramped through most of the year trying to pass on increased currency costs of crude to its customers, put in a spurt towards the end of the year. The unexpected surge in net income from £463m to £748m in the final quarter brought net profits for the year up to £1.99bn—only marginally ahead of the earnings of the previous year. The final quarter'a profit improvement was aided by increased North Sea oil production and a seasonal rise in gas sales. Lower prices of crude also benefited refinery operations—and Shell refines more oil than it produces.

London Scottish Marine Oil (Lasmo) has no such advantage of downstream operations and, since the bulk of its production is sold in the spot market, it could be hit hard if the trend in oil prices continues. Even so, the company announced an increase in 1982 pre-tax profits to £123.3m against £118.2m in tha previous year.

Net profit was £36.2m, lower than the 1981 figure at the attributable level because of a £7.1m special profit on oil sales in the previous year's figure. At the same time as the profit announcement, Lasmo launched a one-for-three rights issue which will raise over £45m. The ostensible reason for the cash call is to strengthen the company's equity base and reduce gearing. This year looks likely to be a period of consolidation after last year's heavy £200m expansion programme.

Lasmo's rights issue comes only a month after another independent UK oil company, Ultramar, mounted a £108m issue. Ultramar, which also reported on Thursday, beating its minimum forecast with a net profit of £104m, has forged ahead with an ambitious capital expenditure programme over the past year and the market is expecting significant profit contributions from the new ventures by 1984. From its recently attained position of strength, Ultramar could be well-placed to take advantaga of distress sales in the corporate oil community.

Banks please

For more than a year Midland Bank has been the black sheep of the clearing banks. The size of its exposure to international borrowing by less developed countries had left it under a cloud of pessimism about the impact of defaults on payments.

This week, however, Midland surprised the forecasters by reporting an 8 per cent jump in 1982 pre-tax profits from £232m to £251m. Having made generous bad debt provisions in earlier years, though it put 73 per cent more aside at £196m it was less than its main competitors. Suddenly its shares were back in favour, and the share price was sprinting ahead to 420p.

Midland'a figures included a first full year contribution of some £52m from its major U.S. acquisition Crocker National Corporation, but this probably only just about covered the cost of financing the $712m investment.

However there was a useful £41m gain in last year's strong gilt edged market. The increase in profits before this addition and after allowing for the minority interest in Crocker emerged at 11.9 per cent.

The merchant banking subsidiary Samuel Montagu had a good year as did Forward Trust Group. But Clydesdale Bank group, Northern Bank Group, International trade services and the travel agents Thomas Cook Group were all hit by bad debts.

Advances to customers of the domestic side were up 17 per cent to £12bn. Overseas growth, aided by Crocker, was better with a £4.7bn increase.

Crocker looks like improving its performance in 1983 but there is unlikely to be any help from the gilts market next time. However, the balance sheet, previously suffering from a lack of short term capital, should benefit from the conversion in May of the remaining £60m of 7½ per cent convertible loan stock to ordinary shares, which seems almost certain following the 1½p net dividend increase to 25.5p.

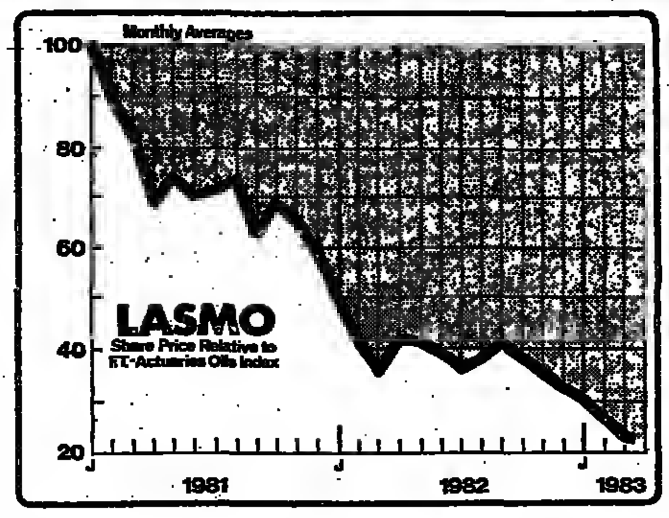
Midland was not the only bank to please the market this week. Barclays also beat estimates even though in this case profits were down 13 per cent before tax to £495m. This figure was after bad debt provision, some 2.3 times larger at over £318m.

This bank also made gains on gilt edged, amounting to £61m. Before these, and the provisions, profits showed a 14.7 per cent increase.

The Barclaycard credit card operation boosted its contribution by some £13m to £30m but this was offset by decline at Mercantile Credit and what became an unprofitable mortgage business.

Despite the decrease in profits the bank held to its promise of a 20 per cent dividend increase to 22p. The market responded to tha better-than-expected performance with a 25p lift in the share price to 495p.

Brokers are now expecting some recovery back to the 1981 pre-tax level of £566m on the back of an upturn on the international side.



BSR changes

With net debt standing at well over 200 per cent of shareholders' funds, BSR's proposal on Wednesday for a one for three rights isue was desperately needed. The issue will raise £20.2m, and coupled with a near £4m subscription issua of new shares, will reduce gearing to a more respectable 45 per cent.

In spite of the company's explicit statement that only a nominal dividend will be paid in the current year, the market enthusiastically marked the share price up 18p to 88p and kept it at around that level. At one time, confidence like that against a background of difficulties like BSR's would have been unthinkable.

Although BSR's 1982 results, which showed a £17.3m pre-tax loss against a £4.4m profit in 1981, reflect a costly reorganisation drive; its past trading record is unappealing.

The market is, however, judging the company on the potential of the management to turn the group around.

In this respect, it was clearly gratified that Mr Bill Wyllie, the new chairman is putting his money where his mouth is. The company plans to invite Asia Securities, a concern wholy owned by Mr Wyllie, to take up 3.64m new shares at the rights issue price of 55p. Finance for Industry, the merchant bank owned by the clearing banks, will taka up another 3.64m.

Mr Wyllie may also take up to half of the 20m new shares in the subscription issue; the rest will be divided between 75 directors and key executives. Mr Wyllie is a co-founder of Hong Kong based Astec International, tha group's most profitable subsidiary, which lies at the heart of its recovery hopes.

Astec, said to be tha largest manufacturer of power switching devices for tha computer industry in the world, now has to prove that it has the technology and skill to undercut the opposition. It aims to attack the UK and European markets, seen as fertile ground for computer sales growth, and plans to open a robotic production line for computer switching devices at BSR's Stourbridge plant.

Meanwhile, BSR's UK record changer business continues to face considerable difficulties in improving quality and developing its market for linear tracking devices—the successors to its old product lines.

The City is forecasting a swift switch to profitability—in the region of £10m to £15m pre-tax this year—and maybe even a return to more normal dividends thereafter.

MARKET HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1982/83 High	1982/83 Low	
F.T. Govt. Secs. Index	80.78	+ 0.26	85.84	61.89	Yield attractions
F.T. Ind. Ord. Index	663.3	+ 3.0	670.2	518.1	Economic hopes tempered by Opec
F.T. Gold Mines Index	592.6	+14.4	734.7	181.2	Bullion rallies
Alpine Holdings	133	+36	138	46	Bid from Kean & Scott
Austin (James) Steel	84	+20	86	53	Trumanns Steel's bid rejected
BSR	87	+19	91	42	Recovery hopes/fin. reconstruction
Bairstow Eves	126	+25	128	50	Good results and prop. scrip issue
Bibby (J.)	425	+50	445	206½	Good results/50% scrip issue
Carpets International	34½	+18	34½	10	Proposed sale of Interface stake
Carr Boyd	80	−19	154	10	A$11.4m rights issue
Davenports Brewery	290	+60	290	116	Offer from Wolv'h'mp'tn & Dudley
Lucas Industries	168	+18	236	121	Maestro launch/int.due shortly
Midland Bank	410	+55	423	282	Better-than-expected results
Milford Docks	123	+46	158	72	Consortium 24.37% opt. on equity
NatWest Bank	592	+57	592	388	Results due Tuesday
Norton (W. E.)	12½	+ 4½	15½	2½	Moves to acquire 45% stake
Peko-Wallsend	342	−41	448	211	Weak Australians
Polly Peck	£22½	+ 7½	£35¾	314	Government clears accounts
Saxon Oil	77	+17	120	57	Bid from Clyde Petroleum
Tate & Lyle	294	+18	294	158	Chairman's encouraging statement

Pause for breath

NEW YORK

RICHARD LAMBERT

AFTER RISING by more than 100 points in tha space of six weeks, the equity market paused for breath on Wall Street this week. Tuesday saw tha steepest setback in the Dow Jones industrial average since the beginning of the latest upsurge, and although the bulls put up a bold performance on Wednesday, there was further profit taking later in the week.

Tha key to the last few days lies, once again, in the credit markets. The yield on three month treasury bills has climbed by more than a quarter of a point in the past week or so, and although the Federal funds rate actually came downu a bit towards the end of this week, the balance of opinion is shifting away from the idea that the federal reserve board will encourage any worthwhile fall in short term interest rates in the near future.

Meanwhile the economic indicators have made rather less breezy reading than of late. Specifically, it turns out that retail sales actually fell a bit in February as a result of a disappointing performance by the motor distributors. Month to month economic statistics do not mean that much, especially at a time when industry is coming to the end of a period of very heavy destocking. But the financial markets are going to have to adjust themselves to the idea that recovery is not going to follow the smooth and steady line of previous economic cycles.

A speech by Mr Paul Volcker, the Fed's chairman, received a lot of attention early in tha week. The sentence that everybody latched on to was that money supply "has been higher than I think is compatible "with falling inflation over a long period.". It is something we have to keep our eye on very closely," he added.

A couple of days later, the Treasury announced a sizeabla new refinancing package, and there is another lump to come next week. The numbers are much as expected, but the rise in short terms rates makes them just a little harder to swallow-especially at a time when companies are also belting out new issues to improve the shape of their balance-sheets.

In the first two months of this year, U.S. companies raised nearly $20bn through new debt and equity issues at home and abroad. This was well over twice the comparable figure for 1982.

In the same sector, G. D. Searle plunged yesterday morning following its surprise announcement that earnings in the early part of this year would be steeply lower. Prudential Bache immediately switched from a buy to a sell recommendation, and after some delay the shares opened at around $38, down over $5. Analysts had been projecting earnings of well over $3 a share this year: all the company says now is that its earnings will still exceed 1982's $2.77 a share for the full year.

Still in the bad news category, Alexander and Alexander, the big insurance broking group, disclosed that its disastrous acquisition of London's Alexander Howden group had pushed the whole group into the red in the final quarter of 1982. It could be that the bad news is now out of the way, in which case the shares might start to have speculative appeal at around $23. But it will take some time to convince Wall Street that the skeletons have finally been cleared.

It would be wrong to end on a downbeat note. Things do seem to be stirring out there in manufacturing industry, and that is reflected in the chemical sector, where some shares are beginning to discount a sharp recovery resulting from improved volumes and lower overheada.

The weakness in the oil price does no harm either, unless you happen to own an oil company, like Du Pont. Monsanto's shares, for example hava been active and strong. They now stand at over $90, and some analysts think the group's earnings could rise to $13 a share or more in 1984, compared with under $9 in 1982.

MONDAY	1141.74	+ 0.78
TUESDAY	1119.78	−21.96
WEDNESDAY	1132.64	+12.86
THURSDAY	1120.94	−11.70

While the dust is still settling

MINING

KENNETH MARSTON

BEFORE THE dust had settled Down-Under following the resounding win at the federal election last weekend of Mr Bob Hawke's Australian Labor Party, the new government promptly devalued the Australian dollar by 10 per cent.

The swiftness of the move took the sharemarket by surprise and in Sydney they quickly marked up prices of shares in the mining companies which will gain a corresponding increase in revenue from their exports, most of which are priced in U.S. dolars.

It did not cut much ice in London, however, because the change in exchange rates worked to the disadvantage of sterling share prices. Furthermore, dividends will be worth less in terms of sterling, while the Australian companies will find it more costly to repay their U.S. dollar loans.

Overall, however, shareholders both in Sydney and London should be better off because the fillip given to the Australian mining industry's export earnings should lead to higher dividends.

In the meantime Mr Hawke's government remains an unknown quantity and it may be a few months before we can get an idea of how successful it is going to be in tackling the labour and economic problems besetting the country.

It also remains to be seen how kindly, or otherwise, Mr Hawke will treat the mining industry. But before these questions can be answered the main factor in the sharemarket remains the progress of recovery in the U.S. economy and its impact on metal prices.

So far, the signs are encouraging. Canada's Corporation Falconbridge Copper, for instance, has decided to reopen its Lake Dufault copper-zinc-gold-silver mine in north-western Quebec. The company says that it is anticipating a medium-term improvement in copper prices and a stabilisation in labour costs.

The world's major prodncer of nickel, Inco, reckons that while its financial performance will remain depressed in the first half of this year there should be a "significant" improvement in the second half. And London commodity brokers, Rudolf Wolff, predict a possible 15 per cent rise in nickel demand this year and an improvement in free market prices.

This kind of resurgence of hope for the world economy can often be self-fulfilling and a little hope of better times is certainly required at the moment by London's Consolidated Gold Fields. This week the mining and industrial group has raised the dust with some shattering half-year results.

Net earnings for the six months to December 31 bave dropped 67 per cent from those of a year ago to £13.9m, equal to 7.4p per share, or less than what is required to cover the maintained interim dividend of 8½p.

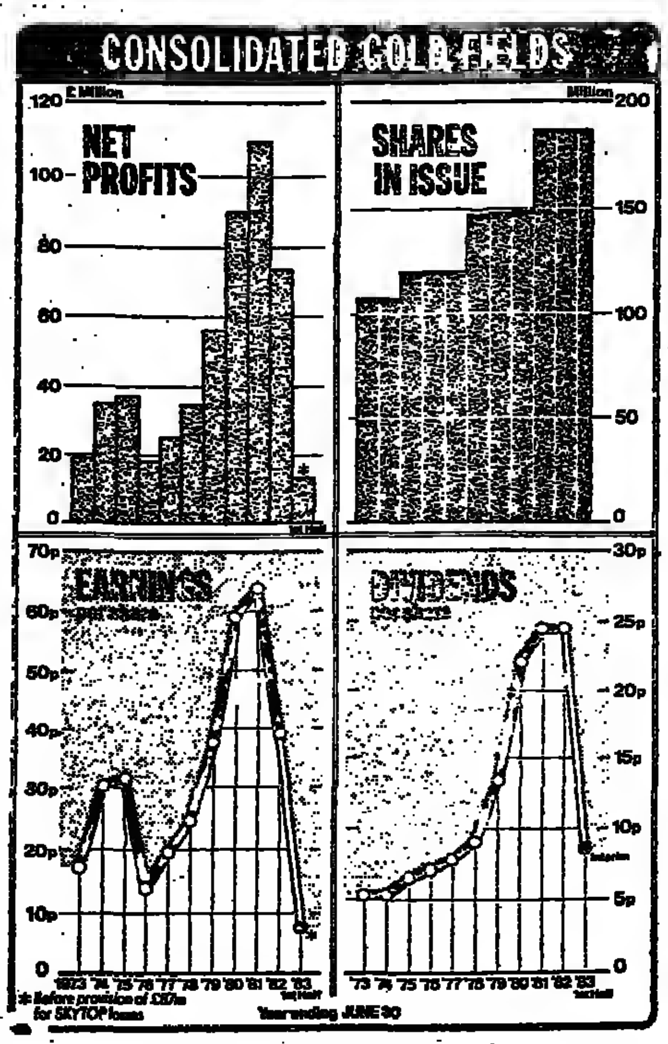
On top of this Gold Fields is having to dip into reserves to provide £87m to cover the further losses expected on the Skytop Brewster U.S. oil drilling rig business until a buyer can eventually be found for it. This ill-fated venture together with the other U.S. industrial investments has been largely responsible for Gold Fields' downfall in the first half.

Little wonder that Mr Rudolph Agnew, the chairman, has said this week that "it is our best intention at the moment to stick to the businesses we know." By these. he means mining and the flourishing Amey Roadstone building materials operations.

The latter, which doubled its profits in the first half, should continue to do well in the current six months. There should also be an increase in the important gold mining income which is derived from the 48 per cent-owned Gold Fields of Sonth Africa and direct holdings in gold mines, notably the great Driefontein Consolidated.

The 25 per cent-owned U.S. Newmont Mining should also do better, especially if copper prices continne to improve. It is unlikely that Gold Fields' second half earnings will pick up sufficiently to cover a maintaioed final dividend of 16p and the group is making no forecasts of the payment.

It does say, bowever, that before deciding on the level of the final the Board "will need to consider the long-term trends in all the company's principal markets." This sugegsts that if the outlook at the time is sufficiently encouraging Gold Fields might still maintain the final; it would hate to have to make a cut after more than 40 years of and overall rising trend.



FINANCE AND THE FAMILY

Non-resident bank interest

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

I am neither resident, ordinarily resident, nor domiciled in the UK. I have bank accounts in the UK in my own name. I have given authority to the bank to let my son (who is resident and ordinarily resident in the UK) operate the accounts on my behalf.

Does the Inland Revenue concession which does not assess UK interest on bank deposits received by non-residents also apply in my case where my son is effectively acting as my agent? If not, please let me know the statutory authority for this. To avoid any possibility of UK taxation, do you agree that I should transfer these bank accounts to, say, Jersey?

Unless you are entitled to exemption under the double taxation agreement (if any) between the UK and the country in which you live, you can only escape UK tax on your bank interest by concession, that is to say by virtue of a decision by the Inland Revenue not to carry out the duty laid upon them by Parliament. The strictly limited circumstances in which the Revenue may decide not to pursue a non-resident's tax liability on bank interest are set out in paragraph B13 of booklet IR1, which is obtainable from most tax inspector's offices.

If your son were to be assessed (under s.78, TMA 1970) as your agent, we could advise him on possible grounds for appeal to the Special Commissioners. However, as you say, the safest thing is to transfer your money to a bank outside the UK, where non-residents are not taxed on bank interest.

CTT rates on father's estate

My father died May 20 1980, leaving £51,000. On May 16 1977 he gave his daughter £12,100 in excess of the exemptions allowed for that year. As he lived over three years from making that gift I thought the CTT rate should be lifetime gift rate 15 per cent on the £12,100 and death rate 30 per cent on the £1,000 but the Capital Taxes Office say to claim lifetime rate you have to give away more than £50,000 in your lifetime, and that the £13,100 is liable to Death rate, that is £10,000 at 30 per cent and £3,100 at 35 per cent. Do you agree?

CTT on the (£12,100) gift made on May 16, 1977 was chargeable at zero rate, on the lifetime scale (as in force at that time). CTT on the £51,000 estate is therefore chargeable at progressive rates on the death scale (as in force on May 20 1980):

First	£37,900	@ zero		
Next	£10,000	@ 30%	=	£3,000
Top	£3,100	@ 35%	=	£1,085
	£51,000			£4,085

Council tenants cooker

A local authority erected, in 1950, dwelling houses under Housing Act powers, for letting. With these houses was provided cookers (electric). These cookers were connected to and supplied with electricity via a system which includes a meter, a fuse box, a wall switch box and a lead into the cooker. In this system there was, and is, no plug and socket or other point at which the occupier of the house can disconnect the cooker. Disconnection can only be done by an electrician at some point within the system inaccessible to a tenant. The cooker cannot therefore be, in practice, removed by the tenant.

Throughout the period since 1950 the cookers have been maintained from time to time by and at the cost of the local authority. The local authority now propose, claiming powers under Housing Act 1980 (Tenants Charter), to say that it will no longer be responsible but proposes to pass the ownership of such cookers to the tenant occupier who, it says, shall be responsible for the maintenance and repairs of such electric cookers.

Assuming that an occupier does not wish to take over the ownership of such cookers nor to be responsible for repair, maintenance and replacement what is the position?

Does the local authority have a power to insist that the cookers paid for and installed by them are transferred to the tenant?

The local authority cannot insist on your purchasing the cooker and we think they cannot decline to include a cooker in any fresh (or renewed) letting (ie remove it and leave the tenant to supply his or her own cooker). This however depends on taking a view of the effect of subsection 80 (4) of the Housing Act 1980.

MIRAS and a tax bill

In the tax year 1981-82 I had a mortgage of £25,000 and earnings which left me inside the 30 per cent tax band after taking account of allowances. My latest Coding 166 from the Inland Revenue shows that, due to the MIRAS system of mortgage repayment, my tax allowance has been reduced by about £2,400—the mortgage interest—enough to take me into the 45 per cent tax band, despite no increase in income, currently about £17,000 per annum.

How can it be that the change in repayment system has resulted in such an increase in my tax bill? Is this situation going to be rectified by the Inland Revenue?

Your tax office has simply slipped up. Write at once (because of the number of similar letters which will doubtless be written) giving notice of objection to code 166, on the grounds that it does not include an adjustment for higher-rate relief on the MIRAS interest. Tell the tax office how much you expect your salary etc to amount to in 1983-84, and how much MIRAS interest you expect to pay. You will find this point mentioned in the middle of page 3 of leaflet P3 (1983), which ought to have been sent to you with the coding notice. (It is also mentioned in leaflet Miras 6, which is obtainable from most tax offices.)

Prevention of fraud

My mother has a small portfolio, mostly UK equities, managed by a department in a Life Insurance company. Is such a company automatically licensed under the Prevention of Fraud (Investments) Act 1958 or does it have to satisfy certain conditions and then apply for one? (They have never indicated they are licensed.)

The company concerned is likely to be exempted from the restrictions imposed by the Prevention of Fraud (Investment) Act 1958 under Section 2(1), or by a Department of Trade declaration under Section 16. You should confirm this by inquiry of the Company.

VAT and building work

I read some weeks ago in your Saturday column about VAT zero rating in connection with building works and have the following questions:

1—I understand replacement of a roof is zero rated if additional works such as felting is provided. Does the zero rating apply to all roof works carried out or the felting only? Would zero rating apply as well to the scaffolding necessary to carry out the roof works even if outside decorations are carried out at the same time?

2—I understand that damp proof works are zero rated. Does zero rating also apply to dry rot works which include replacement of floors and application of chemical plaster?

3—In order to comply with certain underground regulations the floor in the basement has to be ventilated and part of the outside wall reduced to give sufficient light to the basement flat. As this should be an improvement is this VAT zero rated?

The general rule is that alterations to a building which do not involve works of repair or maintenance are zero rated for VAT. Whilst these words might seem easy to understand their interpretation in practice is somewhat difficult. Each case has to be judged on the particular facts concerned and in many instances the position is not clear.

1—With regard to roof work if the replacement of the roof was an alteration and did not include maintenance or repair work it would be zero rated. If the roof work is zero rated the cost of the scaffolding is also likely to be so rated.

2—With respect to your second question it is once again necessary to consider whether there has been an alteration which was not a work of maintenance or repair. This must be a question of fact to be determined by the particular circumstances involved.

3—Your third point would clearly involve an alteration with no element of repair or maintenance. However, it may not be the alteration of a building. If the wall is attached to the building we would say the building has been altered and zero rating applies. If it is not attached zero rating would in our view not apply.

FREE PRIZE DRAW WIN £1000

How to make 200% profit on the Stock Market in just 35 days

At 9am on November 10th 1982, in an operation which involved split second timing, we advised our subscribers to buy Bio-Isolates (Holdings) Ltd at 110p.

At 9am on December 15th, we told them that "if you want a really quick profit" sell at 330p. Otherwise, "longer term holders should hang on as there is much more to come".

By acting quickly on our inside information readers who sold in December made 200% profit in just five weeks. Those who hung on have seen the shares rise to 435p (+295%).

It may surprise you to hear that to our regular subscribers this is not an exceptional story.

Over the last year, taking into account all losses, they will have seen a spectacular growth in the shares we recommended.

Are you free to act quickly?

The secret of this financial success is Stock Market Confidential (SMC), posted to subscribers first class every Wednesday evening. In it we make comprehensive buying and selling recommendations, offer sound investment analysis and, most important of all, suggest three 'hot tips' for the week.

The proven way to make a 'killing'

If you examine our investment tipping record for 1982/3 shown you'll see that, even taking into account the losses, there was an extremely healthy growth every month.

The only way to make a killing on the Stock Market is to have reliable advice and the ability to move fast, before the word gets around and prices rocket.

You can buy with confidence

The editor of Stockmarket Confidential is Malcolm Craig; if you're a major investor or a professional stockbroker you'll probably know him personally.

Otherwise you may have read him in the financial press, or one of his highly respected investment books.

What you probably didn't know is that each week he chairs a private meeting of the SMC Board of Advisors. Together these financial specialists pool information, validate sources, and discuss the latest City whispers. At the end of the meeting they have chosen the USM 'tip of the week' and three other of the hottest tips.

We guarantee that none of these tips will be leaked by the Editorial Board, or published, except in SMC.

Which means you can act with total confidence on Thursday morning.

SMC Growth Record 82/3
Top Performing Share: Security Tag Systems: +640%
Average Growth Per 'Hot Tip' (including losses): +34%
Average holding period: 9.8 weeks

SMC Weekly Contents:
- Three 'Hot Tips'—act by Thursday lunchtime before other subscribers push up the prices.
- USM Tip of the Week—aimed at fast in and out profits.
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2. Prospects for real recovery are now brighter than for some time.
3. Share prices are still at attractive levels.
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MERCURY AMERICAN GROWTH FUND.

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The Fund's objective is to maximise long-term capital growth through investment in the stocks and shares of United States (and, when appropriate, Canadian) companies.

In order to realise this objective, the Managers seek to identify undervalued investments offering the probability of above average returns while minimising risk.

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The Fund, launched in December last year, has a portfolio small enough to be flexible. In the nine weeks from the close of the initial offer to 7th March, 1983, the offer price of units increased by 28.0 per cent. compared with a sterling adjusted rise of 16.2 per cent. in the Dow Jones Industrial Average and a similarly adjusted rise of 16.4 per cent. in the more broadly based Standard and Poor's Composite Index.

Currently, the Fund is concentrated in fewer than 25 shares of companies in the retail, technological, financial services and medical care areas, for which strong earnings growth is predicted over the next few years. However, the Fund is not restricted to stocks of this type and, if investment conditions alter, the portfolio will be changed—if necessary, substantially—to reflect the new circumstances.

The price of units, and the income from them can go down as well as up.

The Managers

Mercury Fund Managers is a subsidiary of Warburg Investment Management, whose parent company is S.G. Warburg & Co. Ltd., one of the leading merchant banks in the City of London. Warburgs has over £4,000 million of funds under management and Mercury American Growth Fund is managed by the team responsible for its investments in the United States.

To invest in Mercury American Growth Fund, simply send the coupon with a cheque (minimum investment £1,000) to the address shown.

MERCURY
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General Information.
The minimum initial investment in Mercury American Growth Fund is £1,000. Subsequent investments may be made in amounts of at least £100.

Units may be purchased or sold back at offer and bid prices calculated daily. Prices and the yield will be published daily in the Financial Times and The Daily Telegraph but without responsibility for any error in publication or non-publication.

Management Charges: an initial management charge of 5% is included in the offer price of units. The annual management charge is ¾% (plus VAT) of the value of the Fund, which is deducted from the income of the Fund. On giving three months' notice, the Managers would be permitted to increase this charge to a maximum of 1½% (plus VAT). The Managers are entitled to a rounding adjustment included in the bid and offer prices of up to 1% or 1¼p, whichever is the less.

Income net of basic rate tax is distributed to holders of distribution units half-yearly on 15th June and 15th December, commencing on 15th June, 1983. The Managers also offer accumulation units.

Yield: on the portfolio as at 7th March, 1983 the estimated gross yield was 0.31% per annum.

The Managers are Mercury Fund Managers Ltd., (MFM), a subsidiary of S.G. Warburg & Co. Ltd. MFM is a member of the Unit Trust Association. The Trustee is Williams & Glyn's Bank plc. The Fund is a UK Authorised Unit Trust and a "wider-range" investment under the Trustee Investments Act, 1961.

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I/We wish to purchase accumulation/distribution* units in Mercury American Growth Fund to the value of

£ ____

(minimum initial investment £1,000) at the offer price ruling on receipt of my/our application.

A cheque made payable to Mercury Fund Managers Ltd. is enclosed.

I/We declare that I am/we are over 18 years of age.

BLOCK CAPITALS, PLEASE
Surname (Mr/Mrs/Miss/Title) ____
Forenames in full ____
Address ____
____ Post Code ____
(Payments and correspondence will be sent to this address unless you specify otherwise.)
Signature ____ Date ____
(In the case of joint applications, all must sign on a separate piece of paper.)
This offer is not open to residents of the Republic of Ireland.
*Please delete as appropriate—otherwise distribution units will be allocated. FT12/3

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Remember the price of units and the income from them can go down as well as [illegible]. For your guidance, on 10th March 1983, the gross estimated yield on the offer price of 51.9p was 2.29% p.a. If appropriate, please consult your professional adviser about this offer.

Britannia Australian Growth Trust

GENERAL INFORMATION Acknowledgement will be sent by return and certificates issued within 28 days. Unit prices and yield are published daily in leading national newspapers. Income distributions are made on 15th May and 15th November in respect of the periods ending 15th March and 15th September. Units can be sold back to the Managers at not less than the bid price, calculated to a formula approved by the Department of Trade.

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I require my income to be reinvested*

Signature (please sign) ____

*Delete if you require income to be paid by warrant FT 12/3/83

(Block Letters Please)
SURNAME (Mr/Mrs/Miss) ____
FIRST NAMES (in full) ____
ADDRESS ____

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هكذا اصل الأصل

YOUR SAVINGS AND INVESTMENTS—1

Michael Bridgeman, Chief Registrar of Friendly Societies, talks exclusively to Rosemary Burr

Positive vetting for the building societies

MICHAEL BRIDGEMAN is responsible for ensuring that at least 20m investors sleep soundly at night. For Bridgeman, a softly spoken civil servant in his early 50s, is the Chief Registrar of Friendly Societies.

Bridgeman's appointment 15 months ago marked a break with tradition. In the past tha job has been filled either by a barrister or an assistant registrar with five years' experience.

In the summer a short Bill was passed lifting these restrictions on applicants and tha post was wide open. Bridgeman, an under-secretary at the Treasury found himself thrust into the limelight.

The Registry is a Government department and Treasury ministers appoint the chief registrar. The job itself consists of supervising a range of mutual organisations, the most important of which are the building societies, and advising the Treasury on matters affecting these organisations, including new laws.

Last month the Government announced plans to boost the staff of the Registry in order to beef up the professional expertise at its disposal. Mr Jock Bruce-Gardyne, Economic Secretary to the Treasury, said in the Commons that "a modest increase in senior staff" was required at the Registry "so that it has the expertise, particularly in accountancy, necessary to protect the interests of investors..."

Bridgeman is aware of the need for ever greater supervisory control of building societies. "There is an expectation among the public of a higher standard of behaviour from those holding other people's money and greater care from those supervising these activities," he says.

While the public has come to expect a greater degree of supervision, the building societies as a whole are facing growing pressures on their profitability. Bridgeman says: "There is a far greater degree of competition for building societies than they have experienced for decades."

This heightened competition raises fresh problems for the chief registrar. Bridgeman says: "One consequence for the increased competition is that it is now quite conceivable for a society to make a loss on revenue account: something that was virtually unthinkable in the last two decades, as a result of the recommended rate system and the absence of competitive pressures to keep down the size of margins."

The sheer size of the building society sector makes Bridgeman's task a daunting one. The societies have over 40 per cent of retail deposits while the banks, which have been relatively slow to cater for the needs of the unbanked, have only 30 per cent.

So Bridgeman is planning to set up what he calls a financial appraisal group which will be staffed initially by a trio of hand-picked professionals with financial backgrounds. According to Bridgeman the group will be used to develop monitoring criteria, conduct in-depth investigations and examine the issues arising out of mergers.

At the moment, Bridgeman says, supervision is essentially by exception. That is to say the eagle eye of his department flicks open once signs of some irregularity are spotted. Monthly accounts giving cash flow and liquidity details are monitored alongside quarterly revenue returns.

There will be a change of emphasis from June 1, the date on which Bridgeman will have to give positive authorisation to each society. This switch is a result of the Credit Institutions Directive of the European Community.

The move is likely to increase the Chief Registrar's workload. As Bridgeman explains: "This requires us to be more forward looking, rather than backward—we are authorising for the future, rather than reacting to the past."

Michael Bridgeman, Chief Registrar of Building Societies

In deciding whether to authorise a society the two main criteria will be capital in excess of £50,000 at the last annual return before June 1 and that the business is "effectively directed by two individuals of sufficiently good repute and sufficient experience to perform their duties."

So from late May each society can expect a visit from an inspection team briefed to discover the managers' experience and look at the way societies are run. Bridgeman says: "Until the process starts there is no knowing what the feedback will be. In some situations it may be so bad that we have to revoke tha authorisation stright away."

In that case, provided the society is solvent, the neatest solution for borrowers and investors alike would be if another society were to take over the weakling.

Bridgeman thinks such drastic action will "be the exception rather than the rule" and says it is significant that a number of small societies have merged recently. Overall he believes "there is not going to be a significant number of people struck off. It will reinforce an awareness of the importance of effective management and increase my powers of persuation that societies should pnt their houses in order. The public is not going to see what is going on. It will just notice an increase in the merger statistics."

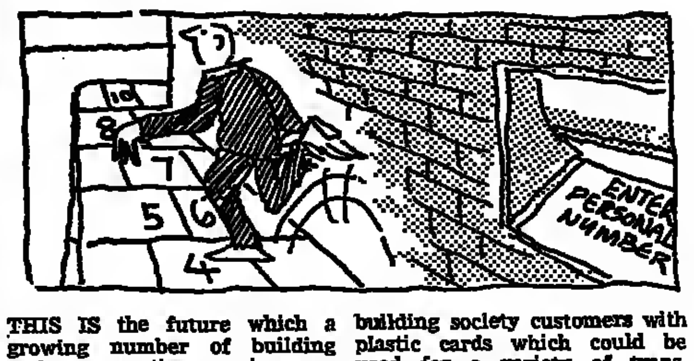
While Bridgeman favours mergers as a way of strengthening the management of societies, he would be loath to see the disappearance of regional societies. "I would be sad if building societies end up like the banking system with just national institutions," he says.

On the question of members' democracy and possibly new legislation on building societies, Bridgeman maintained a discreet silence. Part of his job is to mediate between members and managers and he is due to officiate at hearings between the Nationwide and one of its more outspoken critics at Exeter on Monday.

As for new legislation, since Bridgeman is advising the Treasury at the moment his lips are sealed. With legislation a few years away, his most immediate task is the development of a small team of specialist investigators and the marathon process of positively vetting about 230 building societies this summer.

Societies cash in

The scene is the village High Street in Little Snoring, Norfolk, a few minutes past midnight, late nutumn 1989. A tired and frazzled travelling coffee salesman from Sussex has just completed making the rounds of King's Lynn, Burnham Market and the adjoining villages of Great and Little Snoring. He steers his 1986 Mini Metro down the dimly-lit road and checks his pocket to see how much cash he has. But wait! He has none and will need cash for the bed and breakfast. Then, removing a piece of plastic from his jacket pocket, he brings out a CrackerCash Card from the Acme Building Society of Hove, Sussex. Pulling his car to the side of the road, he steps out aud pushes the card into a cash dispenser at the Little Snoring United Building Society. Out comes £100 nnd n receipt which says "Thank You."



THIS IS the future which a growing number of building society executives envisage as they continue their unrelenting campaign to attract new customers and to retain old ones against the ravages of competition from Britain's banks.

This week it emerged that a special Building Societies Association study group has just completed a six-month investigation and favours introducing, possibly as aoon as next year, the rudiments of Britain's first-ever countrywide system of shared cash dispensers.

The proposal is the latest in a series of initiatives by the building societies and comes only days after two other major steps forward—the Leicester's tie-np with National Girobank in order to offer Leicester accounts through 20,000 post offices and the launch of Abbey National's cheque-save account in conjunction with the Co-operative Bank.

The building societies are fighting back against the clearing banks, which over the past couple of years have proved very effective at luring traditional customers away for bank, rather than society, mortgages.

Mr Peter Lumb, a general manager at Leeds Permanent Building Society, who chaired the study group, says the prospect of a shared network has generated a great deal of enthusiasm. The idea is to provide building society customers with plastic cards which could be used for a variety of transactions at many of the 6,500 building society branches in the UK.

Mr Lumb is convinced that the societies must move into the "payment services sector" if they are to thrive in future. His study group's activities have attracted the interest of an extraordinarily diverse group of organisations.

Although the project remains at a very preliminary stage, organisations such as Citibank Savings (the UK subsidiary of America's Citicorp), British Telecom, National Girobank, computer supplier NCR and even a National Westminster Bank computer services subsidiary have expressed their interest in helping to develop the system.

On the banking side Natwest and Midland have already announced plans to share their cash dispensers, but no nationwide network is known to be planned by other banks.

Talks are going ahead within the building society movement and this week Halifax, the biggest society, said it would instal 100 cash dispensers at a selection of its branches by the end of the year. This would not prevent Halifax from joining a shared nationwide scheme, so perhaps there is hope yet for our hero, the coffee salesman.

Alan Friedman

Six ways to save tax

LAST YEAR'S Budget highlighted an anomaly in the taxation of returns to private investors, by introdncing the indexation of capital gains. Since then, the popularity has soared of investment exploiting the different tax treatment of capital gains and investment income.

Some of the more artificial schemes may be in line for the chop by the Chancellor on Tuesday. But, so long as there is no overhaul of the basis on which private investment is taxed, most of the methods for escaping the clutches of the taxman will survive in one convoluted form or another.

All the schemes play on the difficulties that the draftsmen of tax legislation have in defining which returns from investment count as capital gains and which as investment income. If, by accident or design, your returns are deemed to be capital gains, last year's Budget will have exempted from tax the first £5,000 of such gains after adjustment for inflation.

Thereafter tax is paid at a rate of 30 per cent on returns but again only after these have been adjusted for inflation. Furthermore, you do not have to pay any tax at all until you decide to crystallise your gains by selling the investment.

By contrast, returns which are counted as investment income are taxed at a rate equal to your top income-tax rate plus a 15 per cent investment income surcharge if your profits exceed £6,250 per year.

A top-rate taxpayer sees most of his investment income vanishing into the coffers of the Exchequer at a marginal rate of 75 per cent — if he has any officially-defined investment income after taking the advice of his accountant. And, as there is no adjustment for inflation, the real marginal rate of taxation is often well over 100 per cent.

Schemes which aim to convert incomes into capital gains stretch back at least as far as the early years of this century and were the target of the first anti-avoidance tax legislation in the 1920s. But the 1982 Finance Act has enhanced the attractions of such schemes even for the basic rate taxpayer. These are six of the most important ways in which your investment income can be transformed into capital gains:

1—Buy shares in an offshore cash fund as a substitute for a bank deposit account. These funds, set up by Rothschild's, Lazard's, Hill Samuel and other merchant banks, pay no interest to their shareholders in the form of dividends (which would count as investment income). Instead the interest is ploughed back into the fund boosting the value of the shares, which can be redeemed at any time.

Last September the Inland Revenue conceded that, under existing legislation, it would treat the profits from these funds as capital gains rather than investment income. Money has been flowing across the Channel to Jersey and Guernsey as a result. Offshore unit trusts and managed currency funds are also flourishing by using the same "roll-up" principle.

2—Buy low-coupon gilt-edged securities which stand at a substantial discount to their redemption value. The coupon is taxed as investment income but the uplift in the capital value of the gilt, as the redemption date approaches, is treated as a capital gain. And gilt-holders are exempt from CGT. Not only does the Treasury acquiesce in this method of tax avoidance but it actually encourages it by issuing such low-coupon stock with the specific aim of attracting the high-rate taxpayer. The most recent such issue was in January of the Exchequer 2½ per cent 1987 gilt.

3—A more sophisticated method of avoiding the receipt of high coupons from gilts and other bonds is to sell them shortly before the six-monthly interest payments are due and buy them back after the payment has been made.

Over the past 50 years, Parliamentary draftsmen have spilled large amounts of ink ln attempting to discourage this "bond-washing" by treating profits on bond sales as investment income. There is no doubt that higher-rate taxpayers who wash their bonds regularly will be pounced upon by their tax inspectors.

But a High Court decision in 1980 exempted basic-rate taxpayers from the anti-bond-washing provisions of the 1970 taxes Act. Several companies have set up "bond-laundries" to carry out the necessary transactions on behalf of basic-rate tax-payers.

One of these is the City firm of Barlow-Clowes, which launders packages of gilts specified by their clients and is believed to have funds of around £100m under its management. Another financial services company, Pointon York, based in Leicester, specialises in the washing of local authority yearling bonds and manages about £500,000 of funds.

4—The methods of transforming the income from bonds into capital gains are fairly transparent in that the interest payments from such bonds are artificially low. But the ordinary shares of quoted companies should also be examined for the differing prospects they offer for dividend payments, which will be taxed as investment income, and capital gains.

The only shareholders who should prefer to take their profits in the form of dividends rather than through a rise in the share price are tax-exempt institutions such as pension funds. In view of this it is perhaps surprising that so many companies, particularly blue-chip ones, are maintaining and even increasing their dividends rather than "rolling up" their profits to produce greater capital gains as reflected in their share price.

Nevertheless the rising popularity over the last year of small, high technology stocks quoted on the Unlisted Securities Market is possibly a partial consequence of the tax system. For, although their dividend yields are usually extremely low, perhaps only 1 or 2 per cent, these stocks offer the prospect of large capital gains.

5—Investment trusts and unit trusts are obliged to pay out a high proportion of the income they receive from their portfolios in dividends. So they bave less potential for rolling-up this revenue into capital gains. However the trusts which concentrate on income growth bave been languishing recently.

The share price of those in the investment trust sector stood at an average discount of 26.6 per cent to their net asset values at the end of January, 4 per cent above the sectoral average, according to figures produced by stockbrokers Wood Mackenzie.

As well as looking out for capital growth trusts, tax-conscious private investors should also consider buying the capital shares in split-level investment trusts. These produce only capital gains (or losses), magnified by tha gearing effect of the income shares. The pension funds, which are the essential partners in many of these tax avoidance schemes, are the main bolders of the dividend-yielding income shares.

6—The most common way in which small investors avoid paying tax on investment income is by buying consumer dnrables, paintings, stamps, coins and other assets which yield no income except for the enjoyment gained by using them or looking at them. If these assets are ever re-sold at a profit capital gains tax only is payable.

One area in which it is difficult to convert investment income into capital gains is in dealing in futures contracts. However, there is a mnch simpler method which allows commodity speculators to avoid paying tax altogether. This involves placing a bet on which way, say, three-month gold or coffee prices will move.

Two of the "bookmaking" firms which accept sucb bets, the I.G. Index and the Futures Index, bedge any exposure to risk in their own positions by buying or selling an offsetting futures contract. Because the legal form of the investor's transaction is that of a bet, only betting tax has to be paid and any profits made are free of tax.

It is fundamental to the distinction between investment income and capital gains that the secure and stable returns from wealth should be taxed more heavily than speculative or windfall gains. The even more favourable tax position of betting profits merely takes this approach one stage further to the delight of the tax avoidance industry, and shows how arbitrary the distinction has become.

Clive Wolman

YOUR SAVINGS AND INVESTMENTS—2

Eric Short reports bad news for Signal Life Gilt Bond holders

A case of vanishing assets

ON MONDAY, holders of the Gilt Bonds issued by the failed Gibraltar-based life company *Signal Life* had their worst fears confirmed by Geoffrey Gillvray, the Official Receiver.

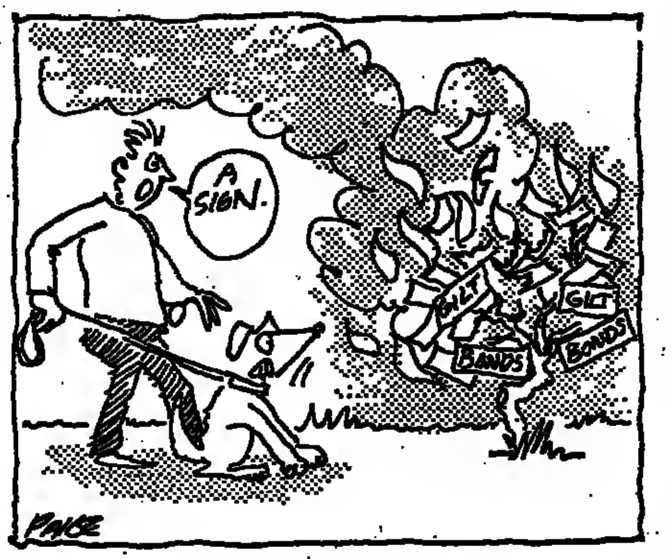
Fnr his message to bondholders boiled down to the fact that there is no money in the company's coffers to allow even a token reimbursement of their investments in Gilt Bonds.

Geoffrey Glllvray has been looking into the affairs of the company since it was put into liquldation last December by Patrick Curran and Donald Ames, the only two directors of the company still around. Tbese two gentlemen were also directors of Hanover Financial Services, the UK marketing company for Signal's products, which was being investigated by the Department of Trade.

When a company is put into liquidation, the directors must submit a statement of affairs of the company. No such statement has been forthcoming and Geoffrey Gillvray disclosed that no records, papers or books of Signal Life have come into his possession, so such a statement is not likely to be produced. It would appear that whatever company records there were bave disappeared.

Geoffrey Gillvray has apparently interviewed Mr Curran and bis knowledge of the affairs of Signal Life come mainly from this meeting and wbatever else his team has managed to piece together. He has not talked with any other person involved in this affair, possibly because it is difficult to identify many of these people and tbose whose involvement is known are scattered to the four corners of the world.

They have unearthed the existence or assumed existence of certain assets, some of which are listed below; they describe precisely the kind of operations indulged in by those persons connected with Signal Life.



● Leases nn three flats in Halesworth, Suffolk, for whicb a sum of £55,000 was paid in May 1982. This investment was intended to form the nucleus of assets for a proposed fifth Bond issue, to follow the Gold and the Gilt bonds, but was never launched. The legal title to these leases is still with the builders, conveyancing not having taken place.

● A sum of £171,000 held on deposit with the First Guarantee Trust Company — a banking company also in liquidation. Geoffrey Gillvray stated that dividend prospects are very uncertain.

● 120 Weimar Republic Bonds the assets bought for the Gilt Bond and reputed to be worthless. *Geoffrey Gillvray confined* himseif to stating that be did not know their worth.

● A sum of U.S.$20,000 said to be beld by a firm of New York lawyers, who have taken out a lien on this sum for alleged outstanding fees in excess of £20,000 due from Signal Life.

● 49,999 shares in Fraser Resources and 200,000 shares in the Double Eagle Mining Corporation — two gold mining companies in whicb the money raised by the Gold Bond issues were alleged to be invested.

● 200,000 shares in Albambra Mines whicb are supposed to be held in a safe-deposit box — the location was nnt stated by Gillvray. But he did say that these were subject to a complicated escroit arrangement.

● Two promissory notes, one for $1.25m on Gold Science and tbe other for $7.5m on Double Eagle Mining. It was also pointed out that two other promissory notes each for $50,000 each had been "lost." The Official Receiver doubted wbether any of these notes had any value.

He summed np the situation *quite inadvertently when he said* that the only reliable payment could be expected from the Bank of England Deposit Protection Board in connection with First Guarantee. Since this rescue fund pays 75 per cent of deposits up to £10,000, creditors can expect the princely sum of £7,500. The liabilities of the Gilt Bond issue were put at £1.67m by Gillvray.

So what chance has the Gilt Bond bolder of getting any of bis money back?

At present, the Bondholders Protection Committee, formed by certain intermediaries which invested clients' money in Signal Life bonds, consiclers that the Hong Kong and Shanghai Bank has a duty towards the Gilt Bond holders.

The Jersey branch of the trustee division of the Bank acted as trustees to the Gold Bond issues and paid ont £4.5m to these holders, when it became apparent that all was not well with Signal Life. This represented a return of the investment plus 12½ per cent per annum interest.

The committee is *claiming* corresponding treatment for the Gilt Bond holders even tbough these bonds were issued without a trustee being formally established. The committee contends that the Bank was a "constructive" trust and hence responsible.

The Bank bas issued a statement this week denying that lt was a trustee of any kind for the Gilt Bond and that no Gilt Bond premiums were received by any company within the group.

To further their case, the intermediaries were able to persuade their clients at Monday's meeting to appoint as liquidator Mr Gerry Welss, a partner with the accountancy firm of Cork Gully and a veteran of insurance company liquidations.

Bondholders will shortly be receiving a letter from Peter Moran, legal adviser to the Bondholders Protection Committee stating that it is now clear that the only hope of any payment lies with the liquidator being successful in pursuing claims against persons involved with the bond. It warns that it will take at least a year for tha liquidator to formulate his own views and considerably longer to pursue any claim.

Another solution being put forward by one bondholder, John Potter who invested £15,000, is that the insurance industry should repay investors by honouring the insurance broker's professional indemnity policies.

He has written to Gilt bondhnlders with the object of the bondholders themselves forming an Investors Committee to "see fair play." His letter not only contains some delightfully optimistic phrases, but shows a lack of understanding of how professional indemnity insurance operates.

Like all insurance, insurers *will only pay out* when a claim bas been established and this will not be accepted simply on the accusations of the bondholder. Essentially the boodholder must prove negligence by his adviser, probably in court.

Finally, it bas been suggested that the Britisb Insurance Brokers' Association should come to the rescue of bondholders and reimburse them. John Potter holds the view that BIBA membership is a guarantee for small investors and lt bas been actively promoting this view in its recent publicity campaigns. And many intermediaries promoting Signal Life bonds were members nf BIBA.

BIBA is bowever only a trade association of insurance brokers. It specifically warned members last year in a bulletin to take extra care in recommending the prodncts of offsbore life companies.

Mr Michael Morris, director general nf BIBA said the association was available to advise members on all aspects of this matter. But he did not accept that the association had any responsibility to rescue bondholders.

The only practical advice to bondholders, unpalatable though lt may be, is to exercise the patience of a saint and leave it all tn Gerry Welss.

Bondholders who have not been contacted hy anyone should write to Mr G. Welss, Cnrk Gully, Guildhall House, 81-87, Gresham Street, London EC2V 7DS.

Michael Hall with some of his classic cars

Insuring wheels of fortune

NORWICH UNION Insurance Group recently issued a new motor insurance policy aimed at the collector of old cars. It offered cheaper motor insurance providing the car was at least 20 years old, was not driven more than 3,000 miles in a year and was used only for social and domestic purposes.

In issuing the policy, Norwich Union has identified an interesting sector of the motor market—motorists who own old cars—where the risks involved are much lower than normal.

The 1970s saw a great upsurge in investment in various type of unconventinnal holdings—wine, Persian carpets, stamps, books, antiques and motor cars. The normal investment media of equities, property and fixed interest were failing to keep up with the very high rates of inflatinn seen during the decade and investors were turning, in desperation, to holding any item which had a scarcity value. Cars fell intn this category.

I am indifferent when it comes to cars. To me a car is essentially a convenient means of getting from one place to another. When I consider that I have bad sufficient use from my car then I change it for another.

But it is different with collectors. It is possible to fall in love with a car, while one cannot envisage a similar attitude to share certificates. There are investors who buy cars solely as an investment and keep them in store. But tbe genuine collector will buy a car primarily because it is part of his love affair.

One such collector is Michael Hall, partner in charge of the institutional investment department of stockbrokers Phillips and Drew. He might be expected to be concerned with the investment aspects of buying old cars. Not a bit of it. He is a genuine collector.

To me an old car conjures up visions of the crocks that take part in the London to Brighton road race. My first lesson is that there are various categories of old car, each with its own classification.

Only cars made up to 1905 get the veteran classification. Those between 1905 and 1931 are vintage cars. Then come the post-vintage thoroughbreds and finally the post-war classic cars. It is classic cars of tbe 1950s and 1960s that are Michael Hall'a speciality.

His first venture behind a car wheel on *his 17th* birthday was in a Riley 1½ litre. But he started to collect cars around 1975.

Why did he pick the classic car period? Simply because they represent excellent examples of motor engineering. A look at each of the seven cars he owna illustrates why be collects them. Even an agnostic like myself was impressed by their lines, the finish of exterior and interior —leather and wood, not various klnds nf plastic.

A collector wants his car to be as near to the original from the factory as possible. He wants the original bodywork, though respraya are accepted.

One aim is to get a car that has something special. Hall owns one of the last 50 E-type V12 Jaguar sports cars finished in black, which had delivery mileage only. For enthusiasts this represents the end of an era for Jaguar sports cars.

Hall is not oblivious to the investment potential of his collection. Indeed, with his job how could he be? But the true collector does drive his car — very carefully on the highway. And takes a lot of time and trouble to find out the history of the car by writing to previous owners. There is a camaraderie between car owners not seen with other investment types.

These risks do represent a good class for underwriters. The main problems are not road accidents, but fires and possibly thefts. On the latter point, cars are so well known that it would be difficult for a would-be thief to dispose of a stolen car easily.

Eric Short

After the Australian election . . . by **Michael Thompson-Noel in Sydney**

Why sentiment is improving down under

SERENITY is not a word normally associated with Australian sharemarkets — or with anything Australian.

Yet at the end of a momentous five weeks — a period that has seen a tempestuous General Election campaign, a landslide win for Labor, and a 10 per cent devaluation of the Australian dollar — the markets down under seem surprisingly stable and cool.

The election was called on February 3. At once, there was an 8 per cent plunge in the Australian All Ordinaries Index, with a bigger fall, of 12 per cent, in the All Metals and Minerals Index.

As the campaign progressed, it became increasingly clear that Labor would romp bome — which it duly did last Saturday.

However, by late last week, capital was flooding out of the country as devaluation fever took a grip and as interest rates soared, with the result that at 7 a.m. on Tuesday, Labor devalued the dollar — a move that at once reversed the flow of capital, brought sbort-term interest rates down, and won the new Prime Minister, Bob Hawke, plaudits all round for resolute action.

On Tuesday, the All Ordinaries spurted. It then lost ground, and by yesterday morning was at 511.4—6.2 per cent below its level on the *morning* the election was called, while Metals and Minerals were 7.2 per cent *down over the five-week period.*

In the interim, of course, Wall Street has performed dizzily, and gold run up and down —both of them of crucial importance to Australian mining share prices.

But brokers say there bas also been an improvement in sentiment — a realisation *that* Labor, under the moderate Mr Hawke, is not bard line Socialist (at least not wbere it hurts), and that if Labor can succeed in its quest for industrial peace, then the outlook for sbares is certainly bright.

This week's devaluation will help by hoosting the earnings of mining companies, and other exporters. According to a calculation by Potter Partners, the Australian sbarebroker, the net average impact of devaluation on mining companies post-tax earnings will be plus 4.5 per cent, for those whose earoings are entirely in foreign currencies.

There will be marked variations, depending on the level of borrowings, the percentage of revenue derived from abroad, the impact of royalties — and, of course, the recovery in metal prices.

Some should gain handsomely. Fnr example, Potter Partners expects the following improvements in 1983 earnings-per-sbare as a result of devaluation: CRA, +13.2 cents (to 14.3); EZ Industries, +10.7 cents (to 33.4); MIM, +6 cents (to 13); Peko-Wallsend, +25.3 cents (to 53.1).

However, as Potter Partners says: "Contrary to consensus opinion, history indicates that our market will diverge from international trends if our domestic fundamentals deteriorate sufficiently."

Prime Minister Bob Hawke and incoming Treasurer Paul Keating

Share scheme

Contrary to the impression given in last week's article "Bonanza for the Workers," payments under the sbare option scheme linked Save As You Earn 4th issue cease at the end of five years. The money can be left until the end of the seventh year when a second

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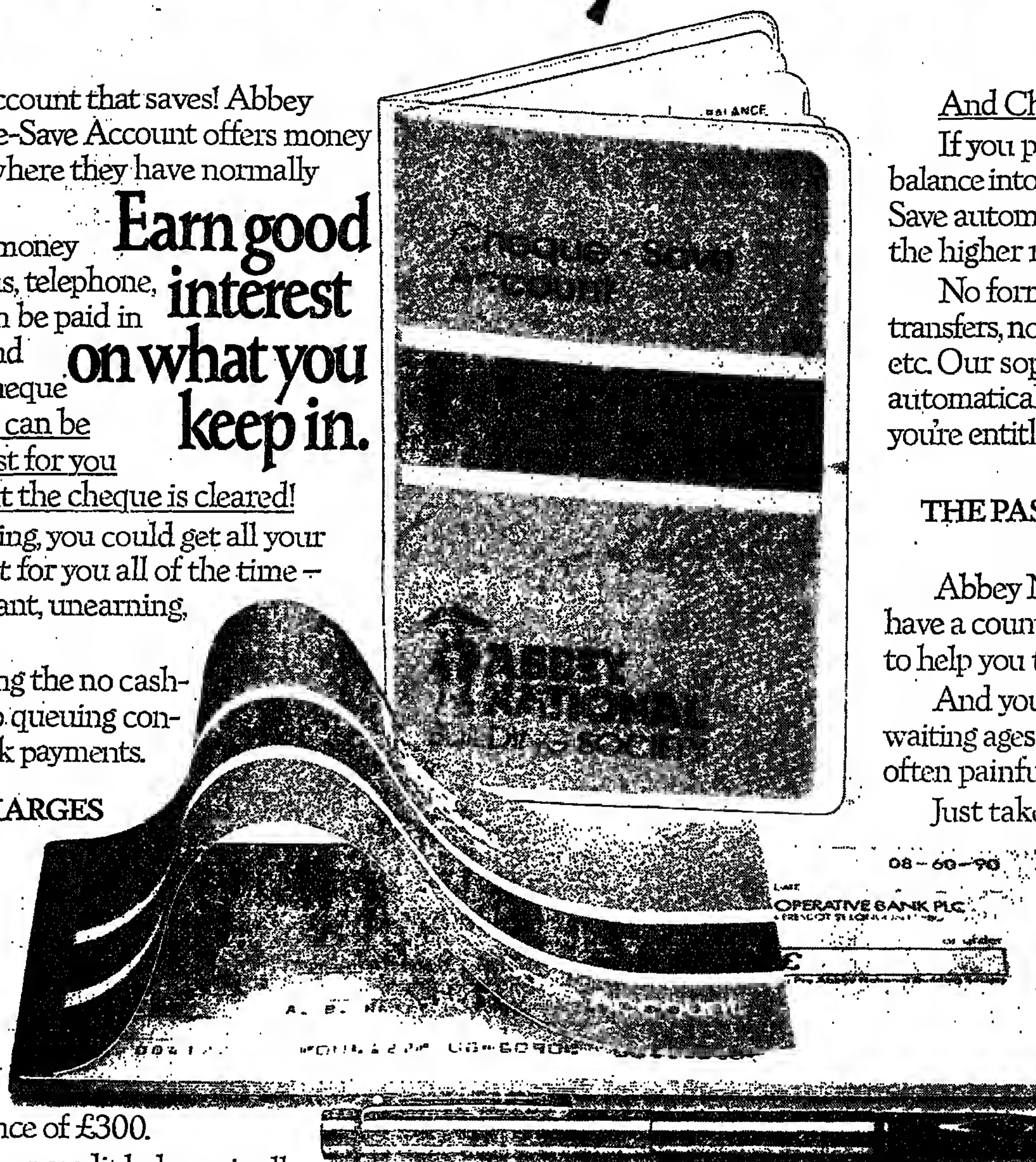

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It means that the money for major bills – like gas, telephone, rates, credit-cards – can be paid in the most immediate and convenient way – by cheque – yet that same money can be gaining valuable interest for you right up to the moment the cheque is cleared!

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You don't have to keep £300 in your account all the time. We won't even charge you for the cheque that takes you under the £300 line. For each cheque you draw while your balance stays below £300 you'll be charged £2. But only on those cheques – not every cheque and transaction you've made in the last few months as can happen in other cheque accounts.

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If you pay in a sum to take your balance into the next interest band, Cheque-Save automatically adjusts your interest to the higher rate.

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Abbey National Cheque-Save can help give your money that edge of good management which could make the vital difference between confidence and worry.

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£500	-	£999.99	4.50%	=6.43%
£1,000	-	£2,499.99	5.00%	=7.14%
£2,500	-	£4,999.99	5.75%	=8.21%
£5,000	-	£30,000	6.50%	=9.29%

*Equivalent gross rate where income tax is paid at the basic rate of 30%.

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Please arrange for me to discuss the Cheque-Save Account at my local branch in ________ ☐ tick appropriate box FT46

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PROPERTY

The fall of the hammer

BY JUNE FIELD

"THIS IS going to be a difficult one," admitted the auctioneer to a colleague before sitting down at a table in a southern counties hotel recently. He was asking for bids on a little terraced cottage, from a group of less than a dozen people, two of whom were the vendors.

He was right, the reserve of £25,000 was never reached, and the only interest appeared to be from a man who lived across the road from the cottage and had come along to see what value be could put on his own place.

Failure to sell meant the owners were out of pocket £400 or so for the hire of the auction room, printing of the particulars, advertising and incidentals. And naturally commission has to be paid as well when a sale is finally made.

An indication that the market is getting better, however slowly, is that the Chelsea office of Jackson-Stops and Staff received over 500 inquiries for a completely unmodernised freehold house, 22 Redburn Street, SW3.

It went at auction the other week for £123,000, a figure considerably in excess of the estimate, to someone *said* to be intending to convert the house into maisonettes, one for personal use, the other to sell on.

"It was one of the busiest London auctions I have seen for a long time," agent Andrew Bishop told me. "There were over 200 people in the room, with a dozen serious private bidders, a sure sign that this is the type of property that is in demand."

An auction can cost an unsuccessful bidder something too, as money has to be spent on legal and survey fees. But at least once the place is bought no other offers can be considered, and the seller has the satisfaction of knowing everything is signed and sealed as all procedures leading to a contract must be completed by the day of the sale.

Both sets of solicitors are obliged to be ready to exchange contracts and all the nitty gritty which in a private treaty sale can drag on interminably, must be completed by auction day.

Any financial arrangements such as mortgage or bridging loan must be organised too, so that the intending bidder (would-be buyer or their representative), attends the sale in the knowledge that the Memorandum of Contract has to be signed immediately and the usual 10 per cent deposit paid with the balance in 28 days. Although the completion date can vary and it will be stated in the Conditions of Sale which generally form part of the auction brochure.

"A bid accepted at auction means an end to the matter, it is a strong argument in favour of disposing of property in this manner," point out Raffety Buckland of High Wycombe, Buckinghamshire, with another dozen offices spreading over Amersham, Princes Risborough, Reading and London, W1.

Raffety Buckland's senior partner, George Kendall, who has taken the rostrum regularly since he joined the firm in 1952, although a believer in the maxim that a good auctioneer is born, not made, admits: "But even one endowed with the essential blend of extrovert attributes needs a platform on which to practise, and I believe much talent is being lost because so many agents prefer not to handle work-intensive auctions.

"The number of estate agents in a position to conduct an auction has been falling for the past 10 years—and is still in decline. No longer can it be assumed that the title estate agents, auctioneers and valuers is an automatic indication that the company qualified to use it has the necessary know-how or facilities to run an auction.

"Fewer and fewer firms in London and the provinces have either the experienced auctioneers or the professional expertise to set up a successful sale."

With eight experienced auctioneers, the firm is able to offer newcomers to the profession the opportunity to work through the cattle market, plant sales, all the way up to the auction of important country estates.

Mr Randall says: "They start at the bottom acting as porters, and graduate the hard way through to the position where they take command on sale day. Although the profession encourages its young auctioneers to take part in mock auctions, there can be no substitute for experience won under battle conditions."

Not all properties are suitable for auction, of course. A modern "semi," terrace house or flat is likely to sell eventually somewhere near the going rate for the price-range it is in.

Three bedroom Grade II period house in a Conservation Area in The Causeway, Horsham, West Sussex, goes to auction on Wednesday April 13 at Horsham Town Hall. The price guide is £75,000 to £80,000. Brochure Alison Underwood, King & Chasemore, Richmond House, Carfax, Horsham (0403 64441).

"Only where it is necessary to show beyond any doubt that such a property has been fully offered in the open market to achieve the best price, as in a trustee or executor sale, is it justified to take it to auction. Vicarages, sold on the instructions of the diocese, are a prime example of property which is almost exclusively sold at public auction in order for everyone to see that it is a fair sale and the best price has been paid.

Roger Raffety, who retired as senior partner three years ago, now a consultant with the firm, recognises that of all the property and commercial auctions they undertake, one-third will sell before the auction date, one-third at the sale and, of the remaining third, the majority will sell shortly afterwards.

"A few will always hang fire. These are the ones where the client probably has exaggerated ideas of the property's value.

An auction which fails to bring about a sale is not always a disaster. For instance, for a large estate, an auction is sometimes held to act as a launching pad, to focus genuine interest on the property. Invariably a satisfactory sale is arranged soon afterwards, sometimes above the figure originally expected."

Traditionally, the amount of the reserve at auction is always confidential. "But it is fashionable these days for auctioneers to offer guide prices to allow potential bidders to assess whether they are likely to be in the running," says Jeremy Clark, partner in St John Smith, Uckfield, Sussex. As a matter of policy, his firm always defers making a recommendation on the reserve until about a week before the auction.

"By that time we have had the opportunity of testing the level of interest, interviewing potential purchasers and getting their views as to the limits to which they are prepared to bid.

"And we always take the view that the reserve should not necessarily represent the target which a client wishes to achieve, but rather the bottom stop below which he would prefer not to sell."

Going to tender (where a vendor does not necessarily take the highest bid, but can accept the most suitable buyer), is a wing of the 17th century Rectory St. Michael's, Withyham, East Sussex.

The place needs extensive restoration, and the price guide is £30,000 for a 99-year lease. Cheques for the amount bid have to be in by noon on Thursday, March 31. Details Mr Clark, St John Smith, 194/198 High Street, Uckfield, Sussex.

Points to consider when thinking of an auction are listed in Fox and Sons annual report in the section *Under the Hammer*. (Free from Geoffrey Cox, senior partner, Fox, 32/34 London Road, Southampton, Hants). They include determining the likely demand for the property, deciding whether it is of a type for which there will be competition, and whether its individuality will make assessing its likely realisation difficult.

"After all a property is only worth what someone will pay for it," reminds Mr Cox, who advises that a village cottage, barn for conversion or building land can all attract competitive bidding. The report goes on to explain the procedure from when bids are first invited, to the time when "the property is in the room" which indicates the reserve has been realised and it can be sold to a genuine buyer. And finally, that "when the hammer falls a sale is contracted."

Safety deferred

BRIDGE

E. P. C. COTTER

LET ME refer again to the first hand which I discussed last week from a teams-of-four match:

N
♠ 5 4 3 2
♡ Q 8 5
♢ 10 4 3
♣ Q 10 8

W
♠ J 10 8 7 6
♡ 7 2
♢ 9 5
♣ K 7 5 3

E
♠ 9
♡ K J 10 6 3
♢ A 8 7 6 2
♣ 4 2

S
♠ A K Q
♡ A 9 4
♢ K Q J
♣ A J 9 6

With North-South vulnerable, East dealt and opened the bidding with one heart greatly to the surprise of South, who was looking at 24 high card points. South doubled, and North replied with one spade, then South without much science jumped to three no trumps, and all passed. Instead of his wild leap to three no trumps, South should have bid two hearts, asking his partner if he had a heart guard. Played by North, the contract is unbeatable.

West, you will remember, led the seven of hearts, dummy played the five, and East the ten. South took this, and I did not comment. In this match of average standard South decided that East must hold the King of clubs, and this was a reasonable assumption. South should have allowed the ten of hearts to hold. This guarantees the contract, but the declarer has to play with great care. East of course, has to switch, and leads a club. If South plays low, West wins, and another heart lead will defeat the contract.

No, the declarer must win the club switch with his Ace, and at once lead the King of diamonds. If East holds off, he continues with the Queen. Let us assume that East wins and leads another club. West takes his King and returns another heart, but the declarer is in complete control. He takes his Ace—that is one trick—and three spades, three clubs and two diamonds give him eight more.

I watched South play the hand, and I felt at the time that he could not be blamed for placing East with the club King, but I must admit that he should have worn his seat belt! Please accept my apologies for this imperfect analysis.

Now for a slam hand from rubber bridge:

N
♠ A Q 7 6
♡ J 5 4
♢ A 5 4 2
♣ A 2

W
♠ K J 10 2
♡ 10 8 6 2
♢ —
♣ 9 8 6 4 3

E
♠ 5 4
♡ 3
♢ K 10 9 8
♣ K Q J 10 7 5

S
♠ 9 8 3
♡ A K Q 9 7
♢ Q J 7 6 3
♣ —

East-West had won two *straight* rubbers, and were a game up in the third when South dealt and bid one heart, to which North replied with one spade. East competed with two clubs, and South rebid two diamonds. West raised his partner to three clubs, and North made a cue-bid for four clubs. When South said four diamonds, North raised to six diamonds, and all passed.

West led the club four, dummy's Ace won, and South discarded the three of spades. Crossing to the heart Ace, declarer led his diamond Queen. West showed out, and that was the end of the slam. "The first decent hand I've held," moaned South, "and I find that kind of distribution."

"You should have played the diamond Ace—a safety play against four trumps with East," said North unsympathetically, and South looked crestfallen.

Do we agree with North's pronouncement? No, the trumps should not be tested before the spade finesse has been tried. At trick two South should come to hand with a heart, lead a spade, and finesse the Queen. If it wins, as it does, he now plays the diamond Ace, and follows with the two. Whether East wins or plays low, he cannot make any trick other than the King of trumps.

If, on the other hand, the finesse loses, declarer must return to hand by ruffing a club, and then lead the diamond Queen, playing West for King and another.

We must on occasions, as here, regard our handling of the trumps not in abstract, but in relation to the hand as a whole.

Kasparov's advance

CHESS

LEONARD BARDEN

IN THE FOUR YEARS since he began world-class play, Russia's Gary Kasparov, aged 20 this month, has made a seemingly inexorable advance towards a title match against Karpov. But early this week Kasparov experienced a real taste of the top level pressures which in their time defeated both Bobby Fischer and Boris Spassky.

Kasparov's candidates quarter-final match against his compatriot Belyavsky is scheduled for decision over ten games. Kasparov, a heavy favourite, jumped into the lead in the second game with the black pieces and appeared already well set for a possible semi-final series against Korchnoi. Then came this week's game, an attack which Belyavsky conducted with verve and flair and where Kasparov's king was under siege for the final 20 moves.

Very rarely for him, Kasparov became seriously short of time and when he resigned had only one minute left for three moves. Again uniquely for the successful young grandmaster, defeat affected his morale enough to request a postponement of the next match game scheduled for Monday. The "time-out" provision is an accepted feature of world match-play rules and it has proved a useful psychological weapon when used at an unexpected moment.

On Wednesday Kasparov regained a three-two lead with a powerful victory in 38 moves.

White: A. Belyavsky. Black: G. Kasparov. Nimzo-Indian Defence (4th match game 1983).

1 P-Q4, N-KB3; 2 P-QB4, P-K3; 3 N-QB3, B-N5; 4 P-K3, 0-0; 5 B-Q3, P-B4; 6 N-B3, P-Q4; 7 0-0, BPxP; 8 KPxP, PxP; 9 BxBP, P-QN3.

Black's early pawn exchanges open lines in the centre and represent a more combative approach than the standard 7 . . . N-B3, with a slightly passive but closed position.

10 Q-K2, B-N2; 11 R-Q1, BxQN; 12 PxB, Q-B2; 13 B-Q3!? (a known pawn sacrifice; alternatively White can build up a more gradual attack by 13 N-K5), QxBP; 14 B-N2, Q-B2?

Theory gives Q-N5; 15 P-QR4 (threat B-R3) R-B1 when it is arguable whether White has enough for a pawn. In the context of what follows the point is the reply 15 P-Q5 NxP; 16 Q-K4.

15 P-Q5!

Perhaps already the winning move. If NxP; 16 Q-K4, N-KB3; 17 Q-KR4 gives a powerful attack, while in the game Black's pawn barrier round the king is badly dented.

15 . . . BxP; 16 BxN, PxB; 17 Q-K3, K-N2; 18 QR-B1, N-B3; 19 B-K4, Q-Q3; 20 BxB, PxB; 21 R-B4!, Q-Q2; 22 R-KR4, Q-B4; 23 RxQP!, N-K4 (QxR?? 24 Q-R6 ch mates); 24 P-KR3, KR-K1 (if NxN ch; 25 PxN!); 25 N-Q4, Q-N3; 26 Q-B4, QR-Q1; 27 N-B5 ch, K-R1; 28 RxR, RxR; 29 Q-K4.

Despite exchanges, the attack continues. White's plan now is P-B4, K-R2, and R-R6 or R-N4; so Kasparov returns another pawn to eliminate the last pair of rooks.

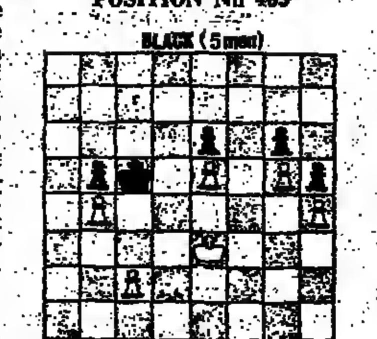
29 . . . R-QB1; [illegible] R-B5; 31 Q-R8 ch, Q-N1; [illegible] QxP, RxR; 33 NxR, Q-N4?

The final error, setting up his queen and knight for a pawn fork. He should try Q-Q1; 34 P-B4, N-Q2.

34 Q-R8 ch, K-N2; 35 Q-K4, P-R4; 36 N-B5 ch, K-N3; 37 N-K7 db ch, K-R3; 38 P-B4, Resigns. Black loses at least the knight and will soon be mated.

POSITION No 465

BLACK (5 men)



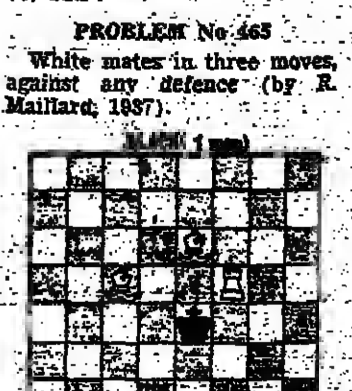
WHITE (6 men)

A test of your pawn endgame skill from a U.S. postal tournament. Should Black (to move) continue (a) K-Q4 (b) K-B5 or (c) KxP?

PROBLEM No 465

White mates in three moves, against any defence (by R. Maillard, 1937).

BLACK (1 man)



WHITE (4 men)

هكذا صدر الأصل

LEISURE

Finding a route through Holland

TRAVEL

SYLVIE HICKELS

WE GOT maddeningly lost in The Hague after coming off the Beatrix at the Hook of Holland that one morning. All roads seemed to lead back into the city centre, or they were signposted *Doorgaand Werkeer* which was nowhere to be found on the *Grote Autokaart* of Holland we had bought on board ship the previous evening.

Dutch readers may smile. We did, too, when at last in a moment of blinding perception we guessed the truth: *Doorgaand Werkeer* is the equivalent of "all routes."

The route we sought was to Texel via the bulbfields and in this respect the *Grote Autokaart* was very obliging, marking the latter in a forest of little red tulips in the area around Katwijk, Sassenheim, Lisse (where the famous Keukenhof Gardens are) and Hillegom.

It was early May and sunny, and we could not have timed it better. Roadside kiosks were selling amaryllis; in ignorance we asked for tulip bulbs to replace some devoured by field mice in our garage.

"No, no, no, in the autumn you must come," we were told. "Now tulips are in the earth." And so we could see. Burrowing down the smallest roads we passed fields blazing red or glowing golden with distances shimmering in a dozen shades from pink to purple. It was magical.

Thereafter we zig-zagged across the chunky peninsula of Noord Holland, taking in Alkmaar, Hoorn and Enkhuizen. It was like stepping into a gigantic poster of all that most conjures up our friendly neighbour across the North Sea. Windmills crossed their arms against huge skyscapes.

Spotless little towns in narrow deep red brick spread out from historic cores clustered round a Gothic church and a market place (the famous Alkmaar Cheese Market is on Friday, May-September). Canals, almost as numerous as streets, wove a glinting network between houses, sometimes a little tipsy with age under their high step-gabled roofs.

Boats of every size and purpose bobbed in harbours. The days of the great fishing fleets were doomed once they built the Afsluitdijk—20 miles of it —that turned the Zuider Zee into Ijsselmeer, but the pleasure boats have taken over, with lots available on charter. The excellent Zuider Zee Museum at Enkhuizen, incidentally, puts the clock back over several centuries, but when we were there could have done with some texts in English.

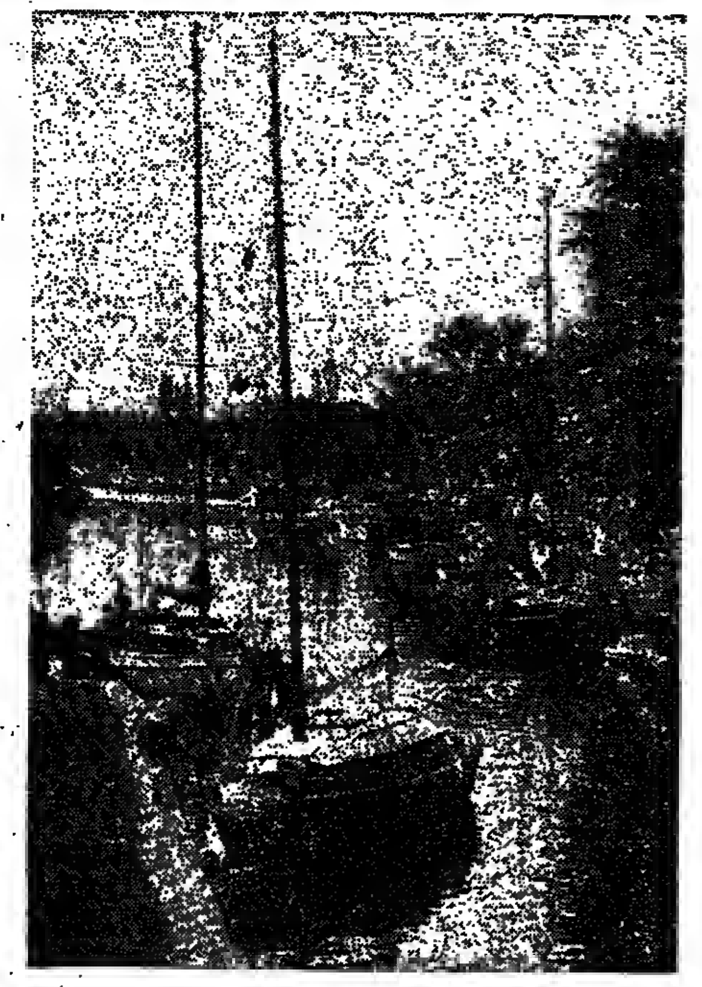
We were running out of time and rejoined main roads as rapidly as possible to head for Den Helder at Noord Holland's northern tip for the 15-minute crossing to Texel, nearest and largest of the West Frisian islands. For us, as birdwatchers, the attraction was obvious for the islands have some of the very few breeding colonies of spoonbills left in western Europe. We saw a few of these fine creatures that first evening, pottering about in the marshes in the shelter of a dyke, along with avocets, shelduck, bar-tailed and black-tailed godwit.

As dusk fell, breath-catching skeins of several hundred brent geese, virtually parachuted down to roost on a nearby pasture. However, other bird watchers will not need me to tell them about the ornithological wonders of Texel. For others they are just some of the many plusses that make it an excellent holiday island, especially for families of an active disposition.

The beaches on the west and south coasts, backed by regal sand dunes, are vast enough to provide seclusion even at the height of the season for anyone prepared to walk a few hundred yards. In places, the coast is receding at the rate of 10-20 yards a year, but as the neighbouring sand islet of Noorden Haaks is approaching with similar rapidity, Texel is unlikely to shrink much in the long run.

Part of the west coast dunes, near one of the island's few extensive wooded areas, is devoted to a Nature Recreation Centre providing a sort of instant-ecology. Those who want to get to closer grips with the subject should enquire about excursions arranged by the State Forestry Department.

Between the sandy west coast and the dyke-protected pastures of the east, Texel is just about as flat as a pancake, except for one hill all of 150 ft high which can be used for storing water in times of need.



Canal life, Edam, Holland

Most of the interior is pastureland for the sheep and cattle whose well being provide the islanders' principal preoccupation, together with fishing (mainly out of Oudeschild on the east coast). It is ideal terrain for cycling and horse riding, and both are well organised.

The Dutch, who are very good at this sort of thing, make quite sure that if you are interested in any aspect of their way of life, then your curiosity is easily satisfied. There is a shipping museum and a beachcomber's museum, a cart museum and an antiquities museum. You can visit a farm, go shrimp-fishing on the Wadden Sea or jog along in a horse and wagon.

Den Burg is the capital to which all roads lead: a neat, pretty place, and a larger version of half a dozen other neat, pretty places scattered about the island. There is a market every Monday and another specialising in handicrafts on several Wednesdays in summer.

As for accommodation, there is camping, self-catering, private homes, boarding houses and hotels of all kinds except the very grand which would be frankly out of place on this friendly, homely island.

Texel can be included in a longer and more varied tour by returning to Den Helder, crossing the great dyke of Afluitdijk and coming back through Friesland and Overijssel (described in an earlier article).

Bird or bulbfield enthusiasts with little time to spare, however, should note that Sealink's five-day excursion fare brings the Harwich-Hook of Holland round trip down to £80 (on day crossings only) from April 1 to mid-June for cars (up to 13 ft), driver and up to four passengers. Before that, it's £75.

● *Further information*: Netherlands National Tourist Office, Savory and Moore House, 2nd Floor, 143, New Bond Street, London W1Y 0QS: the Sealink Car-Ferry Guide 1983 is available from main rail stations and most travel agents.

Models galore in Geneva

BY STUART MARSHALL

SPRING AND the Motor Show arrived together in Geneva this week. As a warm sun shone on the azure lake the gloom that has beset the automotive industry for the past few years was banished by a sparkling display of new cars. There are models galore. Among them are our own Maestro and Land Rover One Ten, the shapely Peugeot 205 and the world's smallest diesel car, the tiny one litre, three cylinder Daihatsu Charade.

German manufacturers dominate the show—they have over 40 per cent of the Swiss market. Japan has nearly 27 per cent, followed by France (15 per cent) and Italy (11 per cent). Britain's share is a lowly 1 per cent but the Maestro appears to have been well received and there are hopes of better business this year. Jaguar and Rover sales improved slightly in 1982 but even the affluent Swiss were affected by the recession and bought fewer Rolls Royces. Sales dropped by 20 per cent to 87 cars.

The worst performers of all, however, were the American manufacturers. Although Cadillacs are still favoured by Geneva's taxi drivers, sales of all U.S.-made cars were halved last year.

The Audi 100 Avant estate version

If there is one outstanding feature of the Geneva show it is proliferation of all wheel drive cars. More about this next week.

Two estate cars making their international debut at Geneva are at opposite ends of the size and price scale. Audi's Avant is an elegantly hatch-backed version of the Car of the Year 1983 Award winning 100 saloon.

Almost apologetically, Audi says its aerodynamics are not quite as good as those of the saloon, which are the world's best for a production car. But the Avant, with the same five-cylinder engines, is good for 122 mph with impressive economy to reward the light footed.

Up to 36 mpg is claimed. A rear-facing child seat can be specified. The Avant is expected to arrive in Britain this summer. Likely price is from £9,500 upwards.

Fords Escort Estate with four passenger doors complements the existing three-door. Sales start in Britain in two weeks at prices that are only slightly higher. There are no mechanical changes.

Though not making its first appearance at Geneva, the Renault 9 diesel is prominently displayed. It will soon be on sale in Britain and promises to do great things for diesel car penetration of the market, not least because it costs under £5,000.

The 55 horsepower, 1.6 litre engine is completely new and Renault says it gives 64 mpg at 56 mph and a top speed of 87 mph. The price is only £340 above that of the 1.4 litre petrol-engined 9 TL and Renault believes the 9 TD will appeal to owners who have not even considered a diesel car before.

Geneva is not quite such a high fashion motor show as Turin, where Italy's coachbuilders try to upstage one another with creations ranging from the practical to the frivolous. But Pininfarina is displaying what it describes as a marketing study called the Brio.

It is a shapely VW Scirocco-type coupé based on Fiat Ritmo (we say Strada) Abarth Twin Cam mechanicals, exceptionally clean aerodynamically and with adequate room inside.

Not to be outdone, Ford's Ghia design operation shows a micro-sized city car called the Trio, seating three people in arrowhead formation with the driver in the middle.

It has a 250 cc engine and can achieve 50 mph and 70 mpg—but can one really take it seriously? That kind of performance would only be acceptable at a bubblecar price and a two-cylinder two-stroke engine with continuously-variable belt transmission sounds like a recipe for the kind of noise city centres could do without.

Much more interesting is the revolutionary Ford Probe IV built by Ghia though designed in the U.S., where it has already been shown to the public. It has fully shrouded wheels, computer controlled suspension to vary the body angle to minimise drag and lift at speed, a 1.6 litre engine and front-wheel drive. This could well be the shape of Fords to come, though not before the 1990s.

THE SWISS have always been big buyers of four-wheel drives. They are ideal in snowy mountains and there are certain tax advantages in owning one if you promise to let the Government requisition it in time of war.

So Geneva was an entirely logical choice of show at which to launch the new Land Rover One Ten, even if a little of its thunder might be stolen by the Maestro which was also making its European debut there.

The One Ten—so called because it is one inch longer in wheelbase than the existing 109 lwb Land Rover—doesn't look all that much different from the side and rear. The front has been sharpened up a bit; the windscreen is now single piece; and there are eyebrows over the wheel openings to accommodate the wider track.

But the real changes are underneath and they have literally transformed the rough, tough Land Rover into something very close to its upmarket cousin, the Range Rover. Gone are the old-fashioned cart springs on which most of its rivals still rely.

In their place are long, far more shock-absorbent coil springs which give the Land Rover One Ten an almost car-like ride on the highway. They make it feel Range Roverish across country, too. It climbs 1-in-1 slopes, laughs at axle-deep mud, water up to the doors or a combination of both. Driven along a railway line, it shakes enough to do your liver good without loosening your dental fillings.

When the 2¼ litre petrol or diesel engine is fitted, you get a five-speed main gearbox (like the Jaguar's) and two-speed transfer box, giving 10 forward speeds, two in reverse. Permanent four-wheel drive with central lockable differential is standard, though two-or-four wheel drive, with free-wheeling front hubs will be available.

With the 3.5 litre petrol V8, you have the Range Rover four-speed box and permanent four-wheel drive without the option.

Brief road experience showed that the petrol 2¼ went up to an indicated 70 mph in fourth and held that speed in fifth, though with less noise and, presumably, lower fuel consumption. The diesel version I drove only off-road, but it did the entire jungle section—an evil area of slime and tree roots —entirely in third gear, low range, so massive is its low speed pulling power.

On the motorway, the V8 was as comfortable, quiet and nearly as quick as a Range Rover, even if it looked less like a drawing room inside.

Prices are exceedingly keen. The 2¼ petrol pick-up starts at £7,990 and the 12-seat station wagon is £9,300. The smartly trimmed County station wagon, V8 engined and complete with power steering (an extra) and standard self-levelling rear suspension is £10,973.

At that it's priced to beat the big imports at their own game and perhaps even make some Range Rover owners wonder if they mightn't do better with a One Ten next time.

Land Rover One Ten on Solihull's "jungle" track

But it is different with collectors. It is possible to fall in love with a car, while one cannot envisage a similar attitude to share certificates. There are investors who buy cars solely as an investment and keep them in store. But the genuine collector will buy a car primarily because it is part of his love affair.

Great when you get there

SKIING

ARTHUR SANDLES

ISCHGL — high in the Paznauntal Valley on the threshold of the magnificent Silvretta mountains . . . . Ernest Hemmingway knew a good thing when he ski-ed it — and he did. Long before the first lift was built in 1961 of course. Hemmingway did it on skins. The locals were poor then, with only a few cows and sheep between them.

From his cosy old wooden hotel 10 kilometres up the road at Galtur he must also have experienced the only snag in those days — church bells which start their monotonous and decidedly stirring dirge at 5 am (and 6 am and 7 am). For whom the bell tolls? For just about everyone unless you wear ear-muffs in bed.

The other big snag—which mercifully Hemmingway would not have experienced — is the dreaded bus. It can be grim. It is a mere 20 minute journey from Galtur down to Ischgl. But it is not that simple. On the return journey you may find the bus goes off with your skis —but without you. A party of Americans who were used to more orderly ski-ing at Heavenly Valley found it all rather hellish as they realised that the bus they had crammed their skis on was full—and had to scamper (difficult in ski-boots) after it, rapping on the windows till the indifferent driver stopped for them to take their skis off again. Having struggled to get up the mountain (unless you are on your way up soon after nine it can be an awful long wait) it can be rather disheartening to have to struggle home at the end of the day, too.

Having said all that, Ischgl is a simply wonderful ski-ing area. It is unquestionably one of the very best resorts in Austria — except that quite a lot of it is in Switzerland.

Some resorts need to string together two or three — or even four — valleys to make themselves a world-class resort. Ischgl does it by itself. And once you are up there, the ski-ing goes everywhere. And the scenery is superb.

In February, when I was there, it can be cold first thing — around 15 below. You soon learn to whip over the ridge on the Idjochbahn triple-chair and ski down into Alp Trida in Switzerland. There the early morning sun quickly warms you up as you ski down a magnificent long blue run with breathtaking views.

If you are a powder-hound and hit the right snow conditions Ischgl has some of the most wonderful powder fields which provide exhilarating ski-ing. (Why else would the Americans have left Heavenly Valley?) No wonder they call it Ski Dorado. The lift pass — which includes the delightful bijou satellite of Galtur (home of those dreaded bells) covers 50 lifts. In spite of its much smaller size, Galtur actually got its first lift seven years earlier than its now illustrious neighbour. That is because it was a simple matter to knock up a couple of lifts in a field. At Ischgl getting started was far more difficult and expensive because the potential ski area was high above the village. But they did it. And suddenly the poor farmers had struck white gold.

Galtur now serves as a useful and extremely agreeable prelude to Ischgl. Beginners can ski all week there. And intermediates can quietly get their confidence there for the first day or so and then hit the high-spots at Ischgl.

So if you want the best of all worlds — ski-ing that is almost as good as the French Trois Vallees, traditional Alpine ambiance and the romance of an old Hemmingway haunt thrown in, then Ischgl is for you — and to hell with the bells!

Just ask Thomsons to provide you with plenty of cotton-wool for your ears.

And by the way — they are hoping to cut those early morning lift queues up the mountain by dismantling their cable-car and replacing it with six-seater gondolas.

SNOW REPORTS

Arosa (Sw)	100-170 cm	Good Pistes. Powder to spring
Avoriaz	30-150 cm	Spring snow on some runs
Flaine (Fr)	90-375 cm	Slush on lower slopes
Grindelwald (Sw)	10-130 cm	Good skiing in hot sun
Isola	90-150 cm	Lower pistes very worn
Kitzbuehel	15-160 cm	Delightful runs on pistes
Les Arcs (Fr)	155-225 cm	Wet snow
Murren (Sw)	65-185 cm	Lower slopes slushy
Sauze d'Oulz	2- 90 cm	Slushy conditions
Seefeld (Aus)	35- 60 cm	Worn patches on some slopes
St. Anton (Aus)	60-250 cm	Slush below 2,000 m
Tignez (Fr)	140-215 cm	Good piste skiing
Val D'Isere (Fr)	120-210 cm	Lower slopes slushy
Wengen (Sw)	15-110 cm	Upper slopes good

Mister Bunce made this fine landscape

GARDENING

ARTHUR HELLYER

THE BRITISH have never been very diffident about their ability to make fine gardens and usually that confidence has been justified. As long ago as 1604 Sir Robert Lindsay, a Scot, was finishing an exquisite little walled garden in the Italian Renaissance style which he designed himself and made entirely with local craftsmen. It is at Edzell Castle, Tayside, and it remains miraculously almost intact as a memorial to his skill and good taste.

In the 18th century English gardeners actually invented an entirely new style of gardening based on an idealisation of the natural landscape and later this was widely copied abroad. Amateurs and professionals vied with one another in developing the landscape garden and even the professionals mostly came from different pursuits: William Kent and Humphry Repton from painting and Lancelot (Capability) Brown from the vegetable garden at Stowe.

When, 1761, Robert Child decided to bring his property at Osterley Park, a few miles to the west of London firmly into the 18th century, he engaged the great architect Robert Adam to re-shape the mansion but was quite content to leave tha park to his wife and land steward Mr Bunce. No one seems to know anything about Mr Bunce, not even his christian name, but he and Mrs Child between them, and I suspect that he did most of the work, made an uncommonly good job of their commission. True they had several fine examples close at hand. Brown was landscaping at Syon House park for the Duke of Northumberland and much earlier in the century Kent and Lord Burlington had set the new landscape movement rolling with their successful experiments at Chiswick House.

In fact there is a certain similarity between what Mr Bunce did at Osterley Park and the work of the acknowledged masters at Syon and Chiswick, most particularly in the river-like lakes they created. Mr Bunce did it by linking a series of small ponds fed by springs but it would have required a remarkable feat of imagination to see the latent potentiality of these without an example to suggest it. The scope at Mr Bunce's disposal was great and he exploited it to the full by bringing the main drive from the east side north eastwards to cross between his middle and most northerly lakes and suddenly to reveal the house seen in a long vista across the widest stretch of water. The drive then opened up an extensive view northwards so, one hopes, suitably impressing visitors with the extent of the estate and finally it doubled back to reach the house discreetly by way of the old stable block.

To the south west he created another spacious view with the south lake on one side and clumps of trees very much in the Brownian manner in the distance. To the west he added a pleasure or "American" garden with exotic trees and shrubs and two ornamental buildings, one a charming bow-fronted garden house the other a substantial pillared temple.

For the best part of a century this carefully organised landscape developed just as intended but then things began to change. Late in the 19th century more exotic trees were introduced and parts of the park became arboreta and in the 20th century a large walled formal garden was made. Nevertheless aerial photographs taken in the 1920s show that the lakes and vistas remained much as Mr Bunce and Mrs Child had planned them.

... rather rapidly. A new entrance had been made to the south and the drive from this crossed the northerly vista much too close to the house so that it became an eyesore of there was much traffic on it. During the war years seedling alders and sycamores could not be kept under control and they gradually blocked out much of the water and seriously shortened the vistas. As a final blow after the war the M4 motorway was routed across the north of the park irretrievably cutting off the most northerly lake and the Adam bridge which crossed it.

In 1949 Lord Jersey, whose family had inherited Osterley Park by marriage, gave it with 140 acres of land to The National Trust but without endowment. This meant that financial support had to be sought elsewhere. It came in part from the Royal Parks division of the Department of the Environment, who undertook to look after the park, and also from the Victoria and Albert Museum which leased the house for the display of pictures, furniture and other works of art.

The arrangement for the house worked well for the museum could charge for entrance and so help to defray costs but the park had to be opened free and the D of E has only been able to maintain a small staff inadequate to cope with the great and increasing encroachment of weed trees on ... tion of the Manpower Services Commission, it is hoped to restore the park over a period of several years to something like its original character though minus the considerable section north of the M4. In 1979 the MSC carried out a detailed survey of the park and, by the use of modern techniques for the estimation of tree age and the study of numerous old plans, paintings and photographs, was able to identify many of the original trees and place others in their correct time sequence.

The latest move has been to engage eight carefully chosen workpeople plus a skilled supervisor to carry out the necessary clearance and replanting. All the old elms have died of elm disease and will be replaced by limes and other trees of suitably billowy shape. The lakes will be cleared of fallen trees and rotting debris and the flow of water restored.

Even the walled garden, which had seemed an unwelcome intrusion and had been grassed over, has proved useful as it has already become a nursery garden in which many of the new trees for the park are being reared.

All this will greatly improve the beauty of Osterley Park and at the same time make it a much more attractive place for water fowl and other wild life. I think that Mr Bunce and Mrs Robert Child would thoroughly approve though they

BOOKS

Owning up

BY GEORGE MALCOLM THOMSON

After Long Silence
by Michael Straight. Collins, £11.95, 351 pages.

Straight was not a spy himself, still less was he a traitor. It was his bad luck to know some of the more eminent traitors of the time, eg Burgess and Blunt. Nor is he a homosexual but, at Cambridge, his closest friends were men, and, often, homosexual. His position, then, was ambivalent and could become awkward: it was hardly a surprise that in the end it was Straight who blew the gaff on Blunt. Sooner or later, no doubt, somebody was going to do that. In fact, the informer was Straight.

Why did he do it? This book is the answer to that question.

His family was American and very rich. His mother founded Dartington, where Michael was educated and where he encountered every sort of "progressive" guru. Accordingly, he was a prey at Cambridge for a tireless mole like James Klugman, and for Blunt the zealous recruiter; he even found Guy Burgess charming. Naturally, he became an "Apostle" and thought of himself as a Communist. It was the fashionable thing to do and seemed harmless enough.

However, he had an independent mind, which was most unpopular in Communist circles. He was taken aback when Blunt told him that "our friends" (ie the Communist International) were "assigning him" to work undercover as a banker in Wall Street! Who was the particular "friend" who had decided this? Blunt was not allowed to say. It all seemed rather creepy to a robust taste although it might have been exciting to a weak one.

Michael did not want to be a banker and the prospect of a life of deceit was repugnant to him. But the "friend" rejected his appeal "I had moved out of the noisy crowded world of Cambridge," said Straight, "into the world of shadows and echoes."

What excuse can there be for such an elementary failure in common sense? Straight's best friend, Rupert John Cornford, had just been killed. Cornford's mother, Frances Cornford, the poet, had named her son after Rupert Brooke, whom she described in a famous line as, "Magnificently unprepared for the long littleness of life." Brooke had died at Scyros on the way to one war, her Rupert was killed in Spain fighting another.

As a result Straight was in a depressed and emotional condition. Blunt was understanding and compassionate.

What followed was a long, unhappy sequel to this initial failure of nerve.

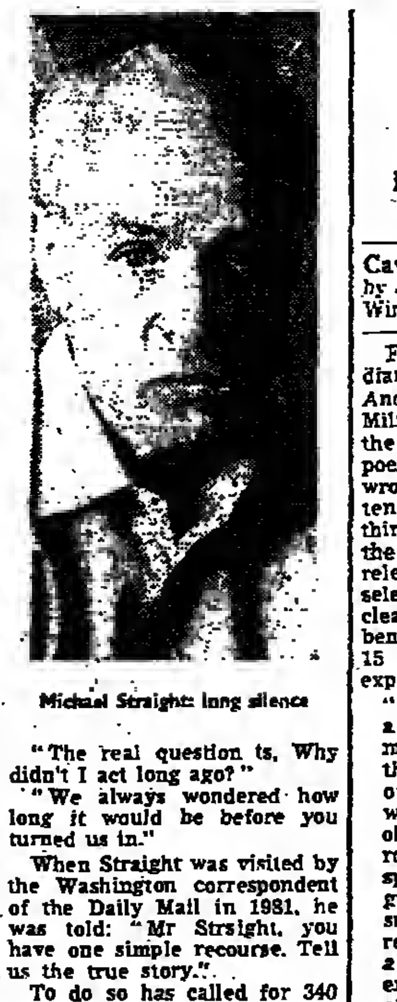
Returning to the United States, Straight found work as an unpaid volunteer in the Department of State. There, he was telephoned to one day by a man with a European accent who announced himself as Michael Green and suggested that, when interesting documents crossed his desk, he should take them home to study. Meanwhile, he gave Straight a telephone number to memorize and call in case of "an emergency." Straight was appalled by the false position he was in.

Eventually he escaped from Government service, edited the New Republic; campaigned for U.S. entry into the war and eventually joined the American Air Force. Making one excuse after another to himself, he put off telling the authorities about his association with Blunt.

On three occasions between 1940 and 1951, he drove his car to the British Embassy with the intention of walking in and asking to see an intelligence officer. On a fourth occasion he took up with a cousin, a high official of the CIA, his fears about the infiltration of the British Intelligence Services. But the thought of facing Anthony as his betrayer was too much. Nor did he inform on Burgess.

He did not tell the truth about Blunt until 1963, when he was offered a federal arts post. *His conscience had taken* 26 years to smite him. It was not the only slow-moving element in this strange story. British Intelligence knew the truth in 1964. The Blunt scandal blew up 17 years later!

When they met in London, Blunt said to him: "Thank God you did what you did. Why did you act when you did?"



Michael Straight: long silence

"The real question is, Why didn't I act long ago?"

"We always wondered how long it would be before you turned us in."

When Straight was visited by the Washington correspondent of the Daily Mail in 1981, he was told: "Mr Straight, you have one simple recourse. Tell us the true story."

To do so has called for 340 pages of painful and pathetic confession which add an indispensable piece to the jigsaw puzzle of the Great Traitors. Straight's silence was tormented but too long. This is no apologia but the straightforward account of a man ensnared.

Stately home visitor

BY PETER QUENNELL

Caves of Ice
by James Lees-Milne. Chatto and Windus, £12.95, 276 pages.

For the first instalment of his diaries, which he called *Ancestral Voices*, James Lees-Milne borrowed his title from the mysterious and marvellous poem that Coleridge is said, wrongly however, to have written in a dream: and for his third volume he has employed the same source, though the relevance of the phrase he selected was not completely clear to me, at least until, beneath the heading January 15 1947, I discovered an explanatory passage:

"Pitch dark when called by a dear old man who entered my bedroom and pulled back the heavy curtains. Rats' tails of grey fog swirled across the window panes. Tenderly this old retainer brought into the room a red blanket which he spread before the empty fire grate. Then he trundled a small tin hip-bath on to the red blanket. Then he brought a brass can of tepid water, enough to cover the bottom of the bath. The room must have been several degrees below zero. He might have been a ghost performing the customary function of a hundred years ago."

A few days earlier he had encountered heavy snow; and, motoring about England that hard winter, while he inspected country houses over which the National Trust might or might not be prepared to throw its wing, the diarist entered many other icy caves, whose owners, sometimes highly eccentric old gentlemen, frequently confined to a couple of rooms, had been sitting out the war-years. The house itself was occasionally half-dismantled: and furniture and pictures alike showed signs of long neglect. At Knole, for example,

"I was horrified by the piles of dust under the chairs from worm-borings . . . . All the picture labels want renewing; the silver furniture, cleaning; the mullions, mending."

Britain's domestic architecture is probably more beautiful and, I think, certainly more various—it ranges, after all, from palaces as huge as Blenheim to the delightful little red-brick Georgian houses built by businessmen and squires and sporting-parsons—than that of any other European country; and, if so many buildings have been lovingly preserved and restored, much of the credit is due to James Lees-Milne and his assistants, working on the National Trust's behalf.

Caves of Ice provides a record of his travels between January 1, 1946 and December 31, 1947; but it is also a self-portrait, and contains sketches of a multitude of the author's friends and acquaintances, now affectionately, now satirically drawn; while here and there he evinces sharp revulsion.

Elsewhere, the book throws some fascinating side-lights on the social history of the period, and reminds us how very different were our social and financial lives during the latter 1940s. Thus in November 1946, Lees-Milne notes that he has just taken a charming woman friend "to Covent Garden to see *Coppelia*, which was gay and extremely pretty. . . . We dined at the Ivy. This evening cost me all told £5, including taxis."

In retrospect, what pleasant days they were! Not only did restaurants let us off lightly; but London hostesses—Lady Cunard and her less vivacious rival, Lady Colefax—were still generous entertainers.

James Lees-Milne does not hesitate to underline what he thinks of as his own weaknesses. Among them he lists;

"defeatism and chronic despair. The outward form my despair takes is a persistent ill-humour and an abandon to selfishness and hardness of heart which bespeak a shrivelled soul."

His recurrent fits of valetudinarism he finds equally deplorable; while, although a gregarious man of the world and, so far as this reader can judge, very far from misanthropic, he is apt to be "sickened by humanity in the gross" and deeply disgusted by modern crowds and noise. The idea of democracy has never appealed to him:

"A whole social system has broken down," [he writes]: "What will replace it beyond government by the masses, uncultivated, rancorous, savage, philistine, the enemies of all things beautiful? . . . More and more I believe in benevolent autocracy."

Admirers of *Ancestral Voices* and *Prophesying Peace* will not be disappointed by this new volume. It is as informative, as candid and as memorably anecdotal as either of its predecessors, and, like them, scattered with enthusiasms, phobias, quirks and prejudices that keep us arguing and disagreeing. I was shocked to see the wonderfully accomplished French painter, Edouard Vuillard labelled as a secondrate artist, "a poor sort of [illegible]." Strange that the [illegible] *Intimiste's* quiet, lamp-lit backgrounds and subtle harmonies of tone and colour should have failed somehow to make an immediate appeal to James Lees-Milne's patrician taste!

Fiction

Chasing other egos

BY MARTIN SEYMOUR-SMITH

Far From the Sea
by Evan Hunter. Hamish Hamilton, £7.95, 248 pages.

September Castle
by Simon Raven. Blond and Briggs, £7.95, 261 pages.

Lamia
by Tristan Travis. André Deutsch, £8.95, 434 pages.

The Property of a Lady
by Anthony Oliver. Heinemann, £7.95, 220 pages.

Evan Hunter is best known to readers under his alter ego of Ed McBain, the writer of sentimental but shrewd and exciting police-procedure thrillers. He is also remembered for one novel written under his own name: *The Blackboard Jungle*. This, from the days when teachers were supposed to have control over their pupils, was made into an internationally successful film.

Far From the Sea is the seventeenth novel from Hunter as Hunter, a fact which I would not suppose many readers to know. For he has been consistently more effective as McBain. His "serious" novels — and this one proves it — are not in fact more serious than McBain's.

It is about a man waiting for his *old father* to die in hospital. During the few days in which he is with him at his bedside his whole past life is opened up: his father's infidelities, the way in which his own marriage has collapsed, the effect of the death of his own son in an accident.

The mixture is familiar: repulsive and unnecessary medical details, apparently beloved by so many (to judge from TV's medical soap operas), the stress of love-hate in American families, the unconvincing reawakening of passion, the *interpolation* of candid (and boring) sexual detail. All this is much better set in the framework of the police novel, and cannot add to the author's reputation as a serious novelist.

In *September Castle* Simon Raven attempts to unite the romantic aroma of thirteenth-century adventure with the sourer one of the twentieth century.

In the *thirteenth century, so* the story goes, the Greek Princess Xanthippe was held hostage for her father's good behaviour, by his Villebardouin overlord, in the Castle of Arques. Her spirit prevails into our century, and Ivan Barraclough receives a telegram saying "Time to go." He hopes to gather clues which will lead him to the Lady and to her fabulous treasure. The instigator is called Ptolemaeos Tunne—and some of his agents have formed a rival syndicate.

The style in which this book is written is both arch and pretentious. It is consistently facetious and unexciting. *The best thing* the author can do is to abandon the modernised romance — Dornford Yates crossed with Durrell is not really appetising — and return to the modern world, upon some aspects of which he writes admirably and revealingly. This is a sad comedown from the author of *The Feathers of Death*, of which kind of fiction surely everyone would like more.

Lamia is profoundly reprehensible, but much more readable. The publishers claim to know nothing about the author.

It is a racy novel, full of disgusting and violent language which is somehow not as offensive as it ought to be, in which the Lamia myth is explored rather as Thomas Pynchon explored the Gravesian White Goddess myth in *V.* Since Tristan Travis, evidently some beat figure, is eclectic, it is a pity that he has missed out on one helpfully unpleasant detail: Lamia, in one version of her story, had detachable eyes.

The book isn't really about Lamia at all. It is about the sexual sadism and transformation of Detective Lieutenant John Valjohn (Hugo: geddit?), famous modernist painter as well as ace detective. Towards the end he "ejaculates beyond his wildest dream," which should give readers some idea of what to expect. It is distressing that what *should* "turn on" the *avant garde* detective is rape and cruelty; but the fact is that the book is very readable, though one winces at its crudity. It is a very professional job.

Members of Women's Lib will hate it—and I don't blame them. I dare say this is why the author is hiding beneath a pseudonym. I cannot in conscience fail to recommend it as other than a thoroughly nasty good read. This isn't because I like rape, but because it happens to be rather a good —though ridiculous—story. It will surely be filmed.

The gentle pottery dealer Anthony Oliver, author of the equally gentle *The Property of a Lady*, would meet an appalling fate in the pages of *Lamia*, if only for his inability to reel off strings of obscenities; but he has written a very decent old-fashioned murder story—a worthy successor to his first novel, *The Pew Group*, which was much enjoyed, and which led one reviewer (in this newspaper) to remark that if he decided to use more violence than he "could become to the antique trade what Dick Francis is to racing." I cannot remember if this was me or not; but he is coming on.

A respectable lady in a village, who is known to have cash in the bank, entertains a young man—with whom she proceeds to venture into the cut-throat world of antiques. There is gossip of course. Someone else scents trouble, and gets in touch with her old friend, an ex-Detective Inspector.

Anthony Oliver knows the world he is writing about as well as Dick Francis knows the racing milieu, and he has a gift of humour and surprise. He has also developed a nice taste in the grotesque. Altogether this is an encouraging second novel, *which will amuse* and intrigue.

Unless you really must find out about Detective Valjohn, if only to satisfy your curiosity, then it is the best read of these four books.

The painting 'Patience' from 'Balthus' (Thames & Hudson £15.00) by the artist's son, Stanislas Klossowski de Rola, a commentary on his work with a full selection of illustrations. Several of them have never been reproduced before

Meeting of true minds

BY GEORGE WATSON

Pound/Ford: The Story of a Literary Friendship
edited by Brita Lindberg-Seyersted. Faber and Faber, £20.00, 222 pages

In the first year of Asquith's premiership, 1908-09, two young American poets invaded London. Ezra Pound settled in Kensington; T. S. Eliot drifted away, to return permanently at the outbreak of the First World War. In the same year, Ford Madox Ford founded his notably talent-spotting *English Review*, and the stage was set for a friendship carefully assembled here, by a Norwegian editor, from the largely unpublished letters and other documents that passed between Ford and Pound over 30 years, until Ford's death in France in 1939.

Though prone to disagreements, the friendship was unruffled by quarrels; from first to last the two men shared a view of poetry, if not of politics. Pound's hard-won critical conviction that all literature is contemporaneous seems to have been a perfectly natural assumption to the untrained mind of his older friend, who was famous for lecturing, in his last years in the United States, as if he had just met Marlowe and Shakespeare around the corner. Clearly Ezra Pound imitated Ford personally, too, even to his famous whisper, and was soon to put him into his *Cantos*. Both men shared an unaffected passion for the art of the Pre-Raphaelites and the poems of Browning, not to mention rich food, Mediterranean [illegible] young writers. They were made for each other.

Their letters and reviews, ingeniously linked by editorial narrative, portray a pre-1914 Anglo-American coterie to rival Bloomsbury; surviving, improbably, into the age of Auden and Co. What counts in coteries is contriving to meet the right people, getting them in, getting them (and oneself) into journals and anthologies (even if one has to edit them oneself), and reviewing one another's works.

Pound/Ford did all these things. In fact Ford was so addicted to the charitable art of literary promotion that he started a "Friends of William Carlos Williams" in the last year of his life, as a sort of American equivalent to the Académie Goncourt. The book presents a *happy*, busy little world of back-scratching and backbiting: two indefatigable fixers forever on the go.

Dr Seyersted calls Pound "of course one of the really great letter-writers." That is a claim which may awaken expectations the book cannot satisfy. Pound is all zest. But the years have left his style looking ponderously hearty; and his colonial chip-on-shoulder, faced with the mighty metropolitan twins, London and Paris, drove him into a breezy and insulting manner that has dated sadly. Ford's urbanity wears better: a cosy old patron of the arts, usually hard up, with an engaging weakness for women. His forbearance was impressive when you consider what he had to bear with. By the 1930s Pound, settled in Rapallo, was a disciple of Mussolini and a dottier than monetarism.

There is plenty of dazzle in Pound's letters. But some of it is the four-lettering of a schoolboy eager to convince himself and others that he is grown up; and the jocular misspelling only reminds one regretfully of the heavy jocosity of the lesser *Cantos*. A great letter-writing poet is surely more inward than this, as Gray and Keats were; less concerned with engineering the worldly success of himself and others. The world's opinion obsessed Pound, not the heart's truth, and the letters would have been better for less publicity and more reflection. But then the private Pound is only to be guessed at behind so heavy an accumulation of masks. A nice boy from a Philadelphia suburb, perhaps, trying hard to look and sound like a Latin Quarter intellectual; happily married in secret, but taking a mistress because that is what poets are supposed to do, and wearing a big-brimmed hat for like reason. And, always, name-droppingly learned.

Ford amiably called him erudite: "He was a professional Professor of Romance Languages, professional cattle band, professional sculptor, duellist, bassoonist and *composer of* operas." He even believed—or at least said — that Pound's Mozart week rivalled Salzburg's. There can be no resisting the effrontery of a young American in Kensington who can pass himself off as all that.

Pound was a failed academic; his younger friend, T. S. Eliot, an offstage figure here, was a real academic by training who decided to do something else. *Bloomsbury* founded in London with Ford's help during and after the first War still looks unique for its academicism in English literary history, whether before or since. The University Wits who conquered the London theatre after 1587 scattered erudition through their plays, but they tried to be (and sometimes were) *popular* dramatists. Bloomsbury soon abandoned Cambridge for London; and some of its leading members, at least its women, were always innocent of academe. The Auden set of the 1930s, like the *Amis-and-Wain* set of the 1950s and after, turned their backs on academe like Lucky Jim, to make their mark in the hurly-burly of literary London.

But the young American Modernists promoted by Ford were strenuously insistent on their academic standing, real or imagined. Pound and Eliot were at once learned poets and learned critics: ostentatiously polyglot; frankly intrusive outsiders into the English *world*; critically dogmatic even in their verse. Pound's tragic career ended in bitter repentance, both poetic and political: a good poet spoiled by bad dogma. Eliot rose above dogma into poems which are fully fashioned and admirable above and beyond anything they profess.

Pound/Ford tells of the early years of hope. But it ends in 1939, aside from a brief retrospect of Pound's last 33 years when he committed treason and was judged mad. A happy ending, then, happily forced upon the editor by a death that marked the end of more happy

Pasternak's progress

BY REX WINSBURY

Boris Pasternak: His Life and Art
by Guy de Mallac. Souvenir Press, £14.95, 450 pages

Pasternak: Selected Poems
translated by Jon Stallworthy and Peter France. Allen Lane, £7.50, 160 pages

Twenty years' research and 120 pictures have gone into this magnificent if partisan literary biography of Pasternak. It is split into two parts—283 pages of biography which inevitably have to discuss Pasternak's poems, translations and prose: and 70 pages devoted to "an interpretation of Pasternak's historical universe." There is also a useful chronology and a substantial bibliography.

I emphasise the book's great qualities (wealth of detail, readability, sympathy with the subject, un-stuffiness, photographs covering the whole of Pasternak's life and adding extra precision to the text) in order to pay it the perhaps equivocal compliment of taking issue with some of its judgments. It is Pasternak's behaviour in the 1930s that is the most controversial period of his life—the period when he lapsed into a 25-year literary silence and (in the words of a critic very fairly quoted by Mallac) "survived by playing the role of the innocent or village idiot in a more or less conscious way."

Stalin's famous telephone call to Pasternak to discuss with him the fate of Pasternak's fellow poet Mandelstam is another episode pointed to by Pasternak's critics. He is said to have gassed on about ethereal topics for so long, that Stalin got bored, hung up, and poor Mandelstam went to his eventual death.

Mallac seeks to defend his subject against such charges, showing that he intervened and gave money frequently when friends were in trouble. But to this reader's eye Mallac does not quite resolve the dilemma of reconciling, on the one hand, Pasternak enjoyed for most of his life from no lesser person than Stalin himself, and on the other hand, Mallac's own wish to show him as a true defender of personal and intellectual freedom.

Hard as it is to pass any judgment on anyone's behaviour in those dreadful years, I nevertheless see no harm in admitting that Pasternak, like others before and after him, mastered the art of walking the tightrope between conscience and concentration camp, while leaving close friends and associates, like Olga Ivinskaya and her daughter, to pay the penalties for him.

What is less easy, for a non-Russian, is to grasp quite why Pasternak enjoyed such an unshakeable reputation inside Russia as poet. Poetry, particularly Pasternak's style of poetry, does not translate well. Stallworthy and France have striven hard, and give a good sense of what sort of poetry Pasternak wrote, but not of its *quality*. Compare two translations of part of one of the Zhivago poems, "August." In Mallac it reads:

"Let us part now, you who threw
Your woman's gauntlet to an abyss of degradations:
I am the arena of your ordeal."

In the Stallworthy and France version it reads:

"We part, my love, who would not yield
to onslaughts of humiliation:
I am your battlefield."

I cannot say which version, if either, shows Pasternak as a poet of genius, and suspect that his reputation outside Russia will always rest primarily on his one fine novel, which Mallac shows to be heavily autobiographical. The parallel between Lara and Olga Ivinskaya is particularly striking, as is the aptness of the lines quoted above to Pasternak's relationship with Ivinskaya.

Chance moves

BY NIGELLA LAWSON

Pilgermann
by Russell Hoban. Jonathan Cape, £7.95, 240 pages.

Here is a novel hard to classify.

Pilgermann—the pilgrim—is the self-appointed name of the spirit of a Jew who, in 1096 sleeps with the wife of a gentile tax-collector, is castrated, saved at the point of death by the man he has *cuckolded*, and sent on a pilgrimage to Jerusalem by a visitation of Jesus.

His traumatic experience frees him from the here-and-nowness of human existence: his castration imparts "the mystery of the gain of loss."

Pilgermann journeys through a world reduced to Mallarmé's realm of *le hasard* as he discovers that all things being contingent, only perpetual action: a fulminatory Total. Now which flashes throughout eternity.

"I can't tell this as a story" says Pilgermann "because a story is what remains when you leave out most of the action." This non-story is the discovery of the hiatus between inner vision and outer reality. With a phenomenological sleight of mind, Pilgermann perceives the real-ness of the virtual, the unreal-ness of the actual.

A multidenominational collection of scriptural quotations permeates a text peopled with *inter alios*, a maggot-infested headless corpse, a sweet-talking nymphomaniac sow and a God who is, together with man, pinioned by the Catherine wheel of Fortune.

Russell Hoban's non-story-telling certainly gives us a place

In short

Britain's Brigade of Gurkhas
by E. D. Smith, Leo Cooper/Secker & Warburg, £8.95, 178 pages.

Britain's Brigade of Gurkhas in the Leo Cooper/Secker & Warburg Famous Regiments series has been revised and updated to 1982, taking account of the non-starring part played by the 1/7th Duke of Edinburgh's Own Gurkha Rifles in the Falklands business. Quite sensibly, the Argentines facing them on their objective, Mount William, one of the last strongpoints guarding Port Stanley, opted for discretion, rather than themselves attempt to qualify for the Gurkhas' motto: "It is better to die than be a coward."

So Brigadier "Birdie" Smith's book has a modest-sized new epilogue instead of another glittering chapter of heroism. The book is a potted history of four regiments, the sort of helpmate a newly-passed-out subaltern, travelling to a new posting tomorrow, could take to bed with him, and still manage a decent night's sleep after reading it.

The Brigadier has a crisp military style of writing. I was tickled by the [illegible] of two Gurkhas up a tree in an observation post. He writes: "Having reported to their company commander by telephone, the men found that they could not escape from the tree because the Japanese then held an orders group under it. Without any regard for their [illegible] safety, they dropped [illegible] on them, killing [illegible] officers but [illegible] in their [illegible] by the upper [illegible] own [illegible] to relate, [illegible] did not realise [illegible] the grenades came from and the two brave men remained up their tree throughout the night and were able to witness the successful outcome of the battle that raged below them."

Wonderful chaps, the little Gurkhas from the poor mountain kingdom of Nepal, who have soldiered for Britain since 1814. Their qualities of discipline, loyalty and courage are legion; could these not be channelled into greater benefits for their country and mankind—or must they be still the last of the mercenaries?

JAMES FRENCH

The Mad Mosaic: A Life Story
by Gael Elton-Mayo. Quartet, £8.95, 238 pages

"I had always believed that a shining thing would come one day, and the vicissitudes would all be over," writes the author. Sent from America to be educated in Europe, from the age of eight she never had a home again. Absence of family security echoes through her life. Two oddly vague marriages, apparently contracted at random, prevented marriage with either of two men whom she actually loved. Two children—the first born during the bombardment of Bordeaux in June 1940—seem to have provided a little purpose and reality in a life evidently led always in a minor, not a major key.

A series of wanderings through Europe and America includes work with Robert Bresson in [illegible], and a scattering of distinguished acquaintances in the worlds of cinema, photo-journalism and art.

HOW TO SPEND IT

by Feona McEwan

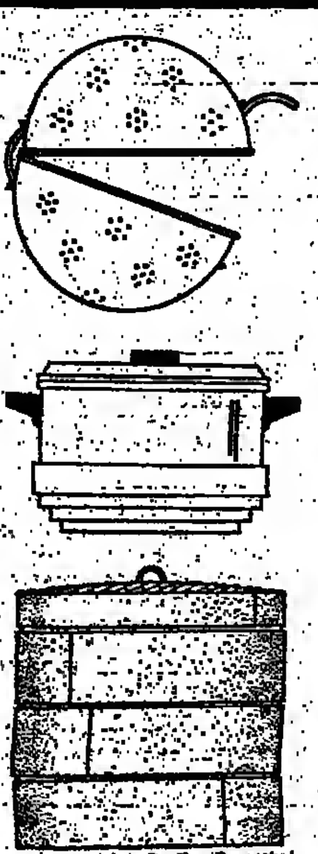
Letting off steam in the kitchen

By Julie Hamilton

AS WE all become more and more interested in healthier ways of eating and thus cooking, so steaming is attracting more interest. Steaming, we all know, is the purist's way of cooking—it is said to retain the maximum amount of vitamins, with a fresher flavour and the vegetables can be served simply with seasoning and butter.

If you like steaming, it also means you can cook a variety of foods over one heat—being the old-fashioned Chinese layer system (more about that later).

Hand in hand with the interest in steaming has come an increased interest in vegetables. Meat, much though we may love it, is being pushed to the side of the plate. We are all being encouraged to think of meat as playing the minor supporting role to vegetables, rather than the other way round.



Pauline Rosenthal

Steamers all in a row: aluminium rice ball steamer, top, clips to edge of pan £2.73 plus 70p p+p from Divertimenti, 68 Marylebone Lane, London, W1 and 139 Fulham Road, SW3; aluminium steamer, middle, fits various pans, £7.95 plus £1.60 p+p, from Divertimenti. Three tiered bamboo steamer, bottom, fits 8 in pan, £9.99 from branches of Lewis or mail order (plus £1.57) from WL Housewares, 36 Willesden Lane, NW6.

I'm all for that change of emphasis but it does mean that we must treat vegetables with more imagination and cook them with greater care. In particular, if you are going to steam them, you could add a sauce — immediately transforming a plate of, say, broccoli into an infinitely more exciting dish.

Before I talk about sauces, let me tell you a little about the various methods of steaming. Currently on the market is a steamer called the Oriental bamboo steamer, very reasonably priced at £9.99 from most good cookery departments.

It consists of three bamboo, basket-like containers with a lid. It fits over an 8 inch saucepan or in a wok; you can use all three tiers at once or just one as you choose. I place my vegetables straight in the containers. I do not use either foil or a plate as suggested in the instructions because it seems to me it would defeat the point. The length of time you steam for is a matter for trial and taste depending on what you are steaming. On the whole it is fairly fast.

Another method of steaming is to use a wok with a steam rack in it; you can stand a dish or plate on the rack, dress the vegetables and steam. (You can also reheat pasta that way very successfully.) If you do not have a wok and do not want to buy a steamer just now, you can always steam by placing the vegetables to be cooked in a colander which fits in or over a large pan and allows the lid to cover the food: be sure the water is always fast boiling and does not touch the food.

There are also on the market fine stainless steel steamers, which often incorporate a bain-marie, but they are rather expensive and do not allow for several layers of steaming to go on simultaneously. This does not matter if you do not wish to cook a variety of vegetables at one time. You can always cook potatoes in the bottom, steam calabrese in the middle and make hollandaise sauce in the top—very energy conserving.

Now let me talk about sauces. There are basically two methods of combining a sauce with vegetables.

One is to cook the vegetables in the sauce, the latter being formed partly by the juices produced from the particular item being cooked: the second is to make a completely independent sauce and pour it over or serve it separately. It is the latter method which is suitable for steamed vegetables, for obvious reasons.

First determine if it is important to you whether you serve a hot, tepid or cold sauce. Do not be timid of the tepid. It is, in my view, a very sophisticated cook who deliberately serves vegetable dishes, or their sauces, tepid. It is very common in Mediterranean countries and, when you think about it, flavour is probably at its most fulsome when neither hot, possibly tongue burning, nor cold, a sensation that is more powerful than flavour.

Sauces made by the reduction method are the simplest, quickest and probably the best. They also give tremendous scope for experiment and improvisation. These sauces can be served boiling hot or tepid. I cannot name each sauce or even give exact quantities because I am really only guiding you to create your own sauce according to what you have in the larder.

For example, cream which is seasoned and vigorously boiled will reduce and thicken. Add to it whatever you fancy—prawns, dried mushrooms, herbs, anchovy, cheese, mustard, garlic and so on.

Another method is to melt butter until it foams and add, say, finely chopped onions, some curry spices, a little vinegar and then cream. Boil to reduce and thicken. If you do not have any cream in the house it will work with top of the milk, providing you have plenty. This kind of sauce is best served poured over the chosen vegetable at the very last minute.

Any vegetable will be complimented by almost any sauce. There are no rules, it is purely a matter of taste.

Let us suppose that you have just fried or roasted some sausages, chops, beefburgers, meat balls or any meat. Remove them from the pan and keep hot. Tip off any excess fat, pour some wine into the pan and scrape any gungy bits around so that they dissolve. Add plenty of tomato purée, a strong herb of your choice, more wine and a pinch of salt. Boil hard and tip over the vegetable you have chosen to accompany the meat (but preferably not peas!) It is wonderful trickled over mashed potatoes.

SAUCE FOR CALIFLOWER OR ALMOST ANY VEGETABLE

2 oz butter; 1 tablespoon sweet Hungarian paprika; 1 tablespoon wine vinegar; 6 oz cream; 1 tablespoon tomato purée; 1 small onion finely chopped; seasoning.

Melt the butter in a saucepan and brown it. Removing pan from heat, add the paprika, stir well and add the tomato purée, vinegar and cream. Stir and bring to boiling point. A few minutes before serving, add the finely chopped onion and season to taste.

A SAUCE FOR BROCCOLI

This is also good with steamed potatoes or French beans.

1 tablespoon olive oil; 1 large clove garlic crushed; 1 tablespoon tomato purée; ½ tablespoon anchovy essence; 2 tablespoons red wine; 3 tablespoons cream; 1 or 2 teaspoons green peppercorns (to taste) in brine; 3 tablespoons water); a pinch of sugar.

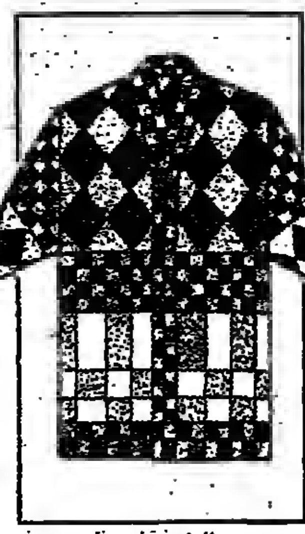
Soften the garlic in the oil over a gentle heat, then add all the other ingredients and boil vigorously until reduced by at least one third. Pour over broccoli as you serve.

A sauce that can, in my view, be served tepid is hollandaise. It should be thick like Cornish cream. Take this basic method and flavour it with wild ideas. To be successful you must flavour the base first. For example:

In the top of a double boiler place 1 tablespoon water, 1 tablespoon wine vinegar, 1 teaspoon dried rosemary that you have crushed with some salt or a few sage leaves (fresh if possible). Heat and reduce by one half. Divide 4 oz of butter into 5 pieces and put one piece in the pan. When it is melted add 4 egg yolks while off the heat, beat vigorously with a balloon whisk and return to the heat.

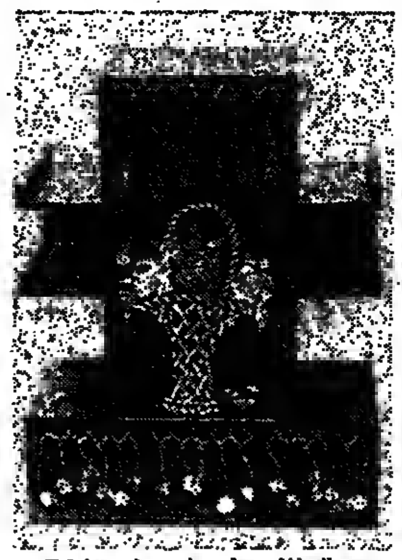
Slowly add one piece of butter at a time, beating until it is fully melted and incorporated, before adding the next piece. When all the butter has been used, take the pan off the heat and beat for at least two minutes. Adjust seasoning, return to heat, still beating for a further minute or two. By now your sauce should be really thick and glossy.

Should it begin to separate at any point, quickly add a few drops of cold water and beat hard. Never let it be over the heat without beating. Never let the water really boil. Always serve tepid.



Coats to conjure with: stripes in grey/black and jacquard pattern in red/grey by Barbara Brown

Designs of distinction



Trinket box by Jon Wealleans, decorated by Natalie Gibson

Aram Designs at 3 Kean Street, in London's Covent Garden is currently having an exhibition until next Saturday which features highly original work of three designer makers of distinction. Those of a nervous disposition shouldn't let the price list put them off going and looking because even if the pocket can't stand it, like any display of fine work, the event is an education in itself.

Barbara Brown is a tutor in textiles at the Royal College of Art, and her striking woollen knee-length coats, each one machine-knitted to a different design, make you wonder why coats haven't caught up with the sweater revolution before and taken the same exciting route. She uses a classical Chinese-like shape which she says suits most figures. The most dramatic feature is the colour (navy and fuschia, crimson and navy, black and grey). Prices are £175 plus VAT. She works to commission, allowing three weeks for the making. Contact her at 6 St Peter's Wharf, Hammersmith Terrace, London W6 (tel 01-748 2384).

At the same address you can contact rug and wool mural designer Ron Nixon to whom she is married. His work is rather Matisse-like in its large geometric shapes and lively colouring.

Among his clients he numbers: American Express, National Westminster Bank, IBM, and the Canadian Imperial Bank who have sought his bold wool designs for boardrooms and reception areas. He too works very much to commission, taking into consideration colour schemes, furniture and context. Prices are from £420 plus VAT for a 5 ft by 4 ft rug.

The third designer maker is Natalie Gibson who teaches textile design at St Martin's College of Art. Her delicate hand-painted wall murals, scarves, and wooden trinket chests (see left), feature favourite motifs of butterflies, birds and cats and have a delightful and happy sense of colour. Prices are from £45 for a silk scarf to £360 for a canvas wall mural. Contact her through Aram Designs.

It's open house at Earls Court . . .

IF THE crocuses are out, spring is round the corner and it must be Ideal Home Exhibition time again. For the next three weeks (until April 4) hundreds of home improvers will pour through the turnstiles of London's Earls Court exhibition centre in search of inspiration and practical solutions on the domestic front. To my mind, it is often the small idiosyncratic stands on the first floor which catch the imagination. There you chance upon myriad gadgets, tools and implements that you never guessed you could need. As a taster of this year's show here are a trio of products, all for the bathroom as it happens, which struck this eye as desirable.

● The first product resembles a block of Cheddar cheese and drinks up to three times its weight in liquid in 30 seconds. Its name, as the queuing buyers at the exhibition could tell you, is Slurpex.

Surplex is a 6 in by 4 in sponge defined as a synthetic chamois, which has the useful facility of absorbing liquid, fast. Thus it can mop up spills from carpets, or flooding floors, or it can clean and dry windows or remove fluff and pet hair.

Just launched in the UK this product is made in Japan by a cosmetic company called Kanebo. "We're selling them at the exhibition as fast as we can lay them on the counter," says the importer.

Slurpex costs £2.99 (plus 50p postage and packing) and is available from stand 449 at the Ideal Home Exhibition or direct from Slurpex Sales, 47 Greek Street, London W1.

● It may not be anything to complain to the management about but there's something mildly irritating about bathroom mirrors misting up just when you want to use them: How many times has one ended up with toothpaste on the towel because you can't see where your mouth is to wipe clean?

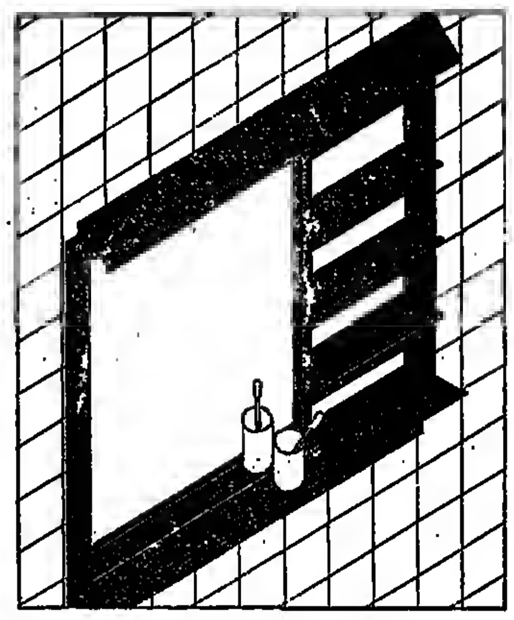
The newly formed Electric Mirror Company reckons it has found the answer to bad weather in the bathroom, with its no-mist mirror, shown right. It has taken inventor Keith Hoy six years to design, patent and market what he believes is the only mirror of its kind. The glass, which is electronically controlled, works on a sensor which continually assesses the humidity level. Beyond a certain point this triggers off a heating element which keeps the glass at the right temperature thus preventing condensation. It is guaranteed to stay clear even in steam bath conditions and is designed to meet all the stringent British and European electrical safety standards. In common with other electrical items, the mirror must be wired into the mains on site in line with strict UK safety controls which the company says, can be done by competent home improvers. Alternatively, it offers an installation service.

Available only in size 21 in by 30 in, the mirror has an integral top light and bottom shelf, 2¾ in wide, and comes in an aluminium frame in a choice of six colours — pastels pink, blue or green and red, black or white. The glass comes in clear or smoked bronze (about £15 extra).

Predictably, with its unusual properties, the mirror is pricey and leaves little change from around £240. There is an optional matching shelf in it, shown attached in the sketch, for about £70.

A non-working version without the no-mist facility, suitable for non-steamy rooms like cloakrooms, is also available for about £150.

Stockists include: Harrods, Knightsbridge, SW1; CP Hart, Newham Terrace, Hercules Road, SE1: St Marco, Sloane Street, SW1. See the mirror currently on display at the Ideal Home Exhibition, stand 107. For further details contact the Electric Mirror Company, 335-339 Latimer Road, London W10 (01-960 8444).

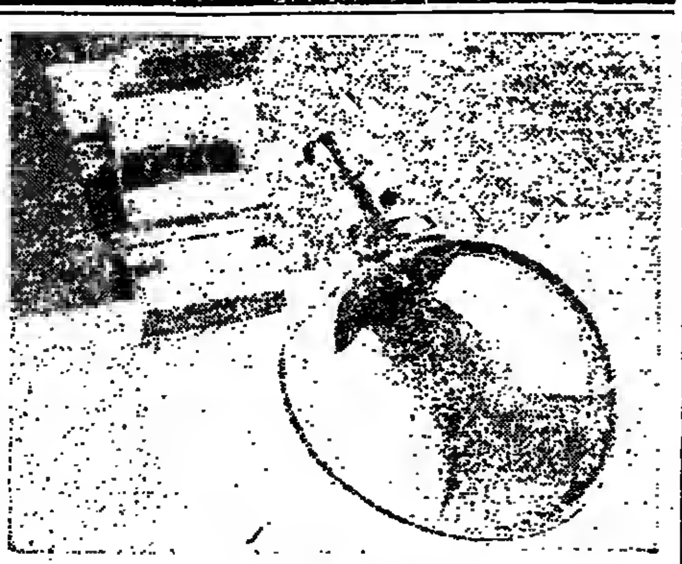


. . . and in one small corner

● Exhibitions often feature special offers of goods which bring out the bargain hunter in us all. For the duration of the Ideal Home show, Woodentops (stand 83) is selling its hand crafted loo seats some £8 cheaper than usual. In solid mahogany they cost £42.50 each, postage and packing free (normally £47.50 plus £2.75 p+p) or in pine they cost £39.45.

The range also includes toothbrush/tumbler holder £12.49, brass soap tray £8.45, mirror £18.32, shaving stand £19.73—all in the same honest, sturdy, wood. Woodentops is also the agent for Sanitan, the British manufacturer of loos in the Victorian image. Find these at £175 rather than the usual £230 in either a blue or brown colourway while the exhibition lasts. Woodentops is at Wells Yard, Holloway Road, London N7. (Tel. 01-609 5177).

Anne Morrow



Light spot

IT STARTED LIFE on the factory bench in the early 1900s, then became a favourite beam with architects. Now the pleasingly simple shape of the Clyno clip lamp has been updated for life in the 1980s by Christopher Wray, the man who singlehandedly has done more than his share to stretch the horizons of British lighting.

The clip lamp is a truly portable source of light—up to 60 watts in strength—attaching itself as comfortably to barbeques and dartboards as to bedheads, stereo systems and pictures.

The dimensions are neat—310mm in overall length, a shade depth of 60mm, a clip length of 125mm with a jaw width of 50mm—and it comes in a range of four bright colours, yellow, red, green and blue as well as black, white and solid brass, polished and lacquered.

Prices are £16.95 for the coloured versions (plus £1.95 postage and packing) and £26.90 for the brass version (inclusive of postage and packing). Mail order is only operated from the main showroom, the Lighting Emporium at 600 Kings Road, London SW6, though personal shoppers can find the lamp in branches at 62 Park Street, Bristol: 16 Headingley Lane, Leeds and 26 Patrick Street, Kilkenny, Ireland.

Lucia van der Post is on holiday

ARTS

Swinging Sixties

"The Swinging Sixties" — the adjective might just survive, and just as "The Tuneful Twenties" were glorified by what came later, already there is a beady nostalgia for those superficially carefree years. Readers Digest is selling its ten album compilation of the music of that decade (price £29.95 on sale from Monday) under this ambiguous title.

The sixties were the breakthrough decade for popular music. It happened in the fifties with Bill Haley and Elvis Presley and Buddy Holly but in 1960 this annexation by youth of the most potent communicating force since the radio could still be viewed as a passing fad.

Then came the Beatles who alerted all ages and classes and nations to the new sound, and although popular music now shows a tendency to segment itself again into a plethora of competing and antagonistic brands no one can imagine a future without it. Popular music symbolised youth culture, and every institution, from business to politicians, bas a vested interest in keeping tabs on it.

There are no Beatles in this selection: no Cliff Richard; no Presley, Dylan, Beach Boys, Simon and Garfunkel. As an accurate reflection of popular music in the 1960s based on sales and significance it is a nonsense. But oddly enough this does not matter. Contraclural reasons prevented Readers Digest getting the big names but who wants yet more Beatles. They dominated the period 1963-65, the years in which the UK ruled the global airwaves, but it is more intriguing to be reminded of the residual conservatism of the period.

All the 160 tracks included in this package made the top 10 and it is salutary to be reminded that 1963 was the year of Kathy Kirby's "Secret Lore" as well as "She Loves You," that 1964 saw the momentary Twinkle with "Terry" alongside "A Hard Day's Night" (1964 was an incredibly soppy year with Jim Reeves and Roy Orbison the top solo artists), and that 1965, probably the best year ever for pop music, had the Seekers easily out-selling the rockers.

Of course the victors write history and it is the bands who have survived, like The Rolling Stones (well represented here), or whose music is still enjoyed, that remain in the mind irrespective of their real impact in the 1960s. We like to forget that the best selling record in 1967 was "Release Me" by Englebert Humperdinck (he also had the number two and three) while the Beatles' greatest success "All you need is love," was 18 in terms of sales.

So this is in no way an anthology of the "best" or the most significant songs of the period, but it is a rather chastening reminder of what filled our ears. In 1960 we have "Starry Eyed" by Michael Holliday rather than The Drifters' "Save the last dance for me," a song that bas lasted much better, and in 1961 there are songs from Frankie Vaughan, Petula Clark and Pat Boone rather than tha now accaptable, Ed-die Cochran and Sam Cooke. Sometimes the choice is too perversely middle of the road; by no stretch of tha imaginatioo is the dire "Look for a Star" by Garry Mills worth reviving.

But I am happy to be reminded of "I can't let Maggie go" by the Money Bus and "I don't want our loving to die" by The Herd. It was a good idea to represent Procol Harum with "Homburg" rather than the over-exposed "A whiter shade of pale." Although the broad spectrum of music included is probably there to appeal to the broadest spectrum of potential purchasers it is marginally preferable to bave the 1960s cemented in their eclectic innocence than in the tougher perspective of history. There may be little uplift in the songs by Anita Harris, Max Bygraves and Percy Faith but they were part of the age, as were the fun records—"Simon Says," "I was Kaiser Bill's Batman," "Winchester Cathedral."

This is a package for musical historians ratber than the party-goers of the 1960s. For rock there is too much reliance on the Rolling Stones; for the American contribution, an even more marked absence of big names and important trends than among the British artists. The good and the bad, the memorable and the thankfully forgotten jostle against each other with the random of a fruit machine. Perhaps the main interest of the set is in opening the ears of a younger generation to the variety of an age which in its good humour and light heartedness seems beguilingly attractive.

RECORDS

ANTONY THORNCROFT

Gerald Scarfe

The GLC does have its points, even now, and it is hard to take exception in principle to the declared policy of Mr Tony Banks, the chairman of its arts committee, to open up the South Bank concert halls. Quite what that might mean in particular practice, bowever, is another question altogether, and one which the initiative at the Royal Festival Hall does little to answer. As a precedent it is happy enough, the retrospective of the work of Gerald Scarfe over 20 years (until April 10) interesting in itself; and here is this large public space both conspicuously under-used and intermittently overcrowded. Why not build up a passing audience, or take advantage of a captive one, to divert it with music, sideshows and exhibitions?

The suspicion persists, however, try as we might to dismiss it as unworthy and unfair, that to Mr Banks and his kind such a move as this can never be disinterested in the support it affords. Rather the gesture must be *engagé*, which is to say political: and more than that, the gesture itself is enough. For, in bringing Art to the People, Mr Banks must needs satisfy and indeed parade his democratic principles; and so he declares himself distrustful of any aesthetic or critical discrimination, and would allow popular accessibility as the only standard.

It is hardly surprising that Gerald Scarfe should have been favoured with this inaugural opportunity. He is well known through his long association with Private Eye and the Sunday Times, his work instantly recognisable and often memorable. He is as uneven as be is consistent an artist, at bis most perceptively and gleefully misanthropic when close to his subject, often mawkishly sentimental and simple-minded when treating broader, more general issues, yet always technically lively and adventurous, and often impressive. Such qualities are evident in his work from first to last, from the wonderful character demolitions of the Macmillan days, to the admirably even-handed sculptural satires on the present state of the parties, Mr Foot in a beap and Mrs Thatcher rampant.

But really bow badly he bas been aerved. As a gallery the principal concourse of the Festival Hall could hardly be worse. Scarfe's work is strong enough to overcome much local distraction, but not that strong; and bere no thought has been given to the basic physical needs of the work. A brutal and inadequate run of black screens bas been thrown up against tha light, tha cracks between the units inches wide, the sculpture tossed in among the pillars that bold the floor. Mr Banks should think again on the popular saying that, if a thing is worth doing, it is worth doing well.

WILLIAM PACKER

Gerald Scarfe with Chairman Mao sculpture

The computer-music revolution

In the early days of electronics, in the 1940s and 1950s, "electronic music" meant either a collection of natural sounds variously filtered, mixed and treated, than edited to a *final form on tape (musique concrète)*, or a collection of tones derived from a primitive sound-synthesisers similarly treated ("pure" electronic music), or more often a mixture of both techniques, *concrète* and pure.

The process was laborious, and the equipment expensive and recherché. And electronic music was still confined to tape, its performance confined to darkened concert balls with serried banks of loudspeakers on the stage. Apart from some experiments with different sorts of filters and amplifications in live performance, electronic music meant "tape music" performed either by itself or at the same time as live music; the technology was too complex and above all too slow-acting, to interact successfully with, let alone to replace, live instruments in concert.

That time is almost past. During the last ten years, electronics has invaded the sphere of music-making so radically that the new all-embracing generic title of "electro-acoustic music"—used to describe almost any kind of music that plugs in—is rapidly becoming redundant. Not all, but most, new music bas some electronic component. Sophisticated *mixing* and *amplification* are as commonplace in the concert ball as radio-microphones in the opera bouse. And the time is also approaching, possibly sooner than we expect, when the musician's (as well as the music critic's necessary training will include a basic computer course.

The techniques of computer-music (which is to say merely music composed with the aid, in various particular degrees, of a computer) are still in their infancy, and their products are still frequently experimental in the extreme. But like the latest recording techniques to which it is intimately related, computer-music technology represents a giant advance from the early days of painstaking recording, mixing and chopping up tape with a razor-blade. The digital computer-synthesiser, with its virtually unlimited capacity to produce any kind or combination of imaginable (and as yet unimaginable) sounds, and its capacity for analysis and response at mind-boggling speeds, is potentially the most powerful and flexible musical instrument so far invented by mankind. And the revolution it eventually inspires is likely to be as fundamental, and as far-reaching in its musical implications, as the discovery of the plucked string at the dawn of history.

In England we believe in giving radical experiment no more than just enough money *to keep it struggling*: and in the field of computer-music, as in so many other experimental fields starved of proper funding, we now lag significantly behind the rest of the world. A few pockets of irrespressible enthusiasm and activity remain nonetheless —notable among which must be the electro-acoustic music studio of The City University in St John Street, whose director Simon Emmerson has presented there every year now for five years a two-day festival of new electro-acoustic works home-made and imported.

Space is short, so comment must be brief. Most interesting musically of the two festival programmes I attended was *Hendrix Haze* by Alejandro Vinao (a City University graduate) produced on the studio's Fairlight CMI digital synthesiser: an impressive tape-piece which uses the Fairlight's remarkable potential to the full without ever resorting to easy cliche (the Fairlight is so user-friendly that for some composers it can represent no more than an easy option). Most remarkable visually was the computer-controlled slide-show devised by Horacio Monteverdi to accompany Richard Attree's *Dun-Dun*—a sensational tour de force using four screens and 12 projectors, of a sophistication and complexity unthinkable even ten years ago. And most remarkable technically was perhaps *Love in the Asylum* composed by the Californian Michael McNabb using Stanford University's amazing "Samson Box," portent of the super-hi-fi super-digital soundworld just round the corner.

DOMINIC GILL

Puppet theatre

Afternoon Theatre, to begin with, Radio 4's little jewels.

On Tuesday, *A Royal Favour* by Maurice C. Packham, who has only once written for radio before, and that in 1945, but has no trouble in establishing character through voice and phrase. (My own experience suggests that here is where I should put in my credit to the director, Brian Dean.) *A Royal Favour* is a Kiplingesque tale, if not quite so highly polished as *Puck of Pook's Hill*. Builders are baving difficulty in raising the roof of the Abbot's new library, and the King (whom they call Harry Bolingbroke) has sent his own master-carpenter. Even he can't fix it. But in the background is a mysterious preacher whom the people mistrust because be carries a Bible in Wycliffe's English, and the Abbot calls this heresy.

The preacher, as mysterious preachers will, shows a wretched little apprentice (played by a girl—oh, I *did* hope the BBC might have started casting boys as boys) to make a bridal joint, and when he has done this, to everyone's amazement, to give the orders. Up goes the roof. But the King's carpenter has told a constable about the preacher (and immediately, as *Wycliffe would have said*, the cock crew). The preacher is apprehended, the carpenter rewarded. "I know how many coins you will give me," he says bitterly.

There is a pleasant enough tale, if you don't mind, as you are *making the tea*, the word "arse" spoken five times and "bugger-all" twice. Mr Packham couldn't have done that in 1945. Let us move on to David Wheeler's *Chipps and Crocket*, veteran of a dozen radio plays, besides being a former producer of *Panorama* and television critic for The Listener.

Oddly enough, Mr Wheeler hasn't nearly Mr Packham's facility for character-drawing in sound. His people are strictly monophonic. The title-characters are Adrian Chipps, a backward young man with a mental age of about six and a total inability to remember anything, and Billy Crocket, an unemployed workman obsessed with keeping fit (what for, I wonder?) and with flying away to California (what with, I wonder?).

Poor Chipps constantly embarrasses Crocket, by talking about Fairyland, by wanting to hold his hand, by asking for fizzy orangeade instead of coffee, by being called Adrian, by being there. When two motor-cycling punks come into the caff where Chipps and Crocket are sitting, a row breaks out; and as our heroes are moving off (after Chipps has disturbed his aunt while she is having it off with a traveller), the punks pretend to run them down with their bikes. Silly Chipps, finding the bikes parked later on, pushes one of them down a hill and crashes it, which causes the punks to beat up Crocket when they find him fishing from the beach, for they think it must have been he.

Now I suspect that Mr Wheeler meant Crocket to have been killed here and Chipps to have characteristically forgotten about it when enquiries are made. This is not what happens, however. Crocket's not dead after all, and the only use made of Chipps's memory-lapse is his insistence on recalling all he saw of the fight while Crocket multiplies his opponents like Falstaff at Gads Hill.

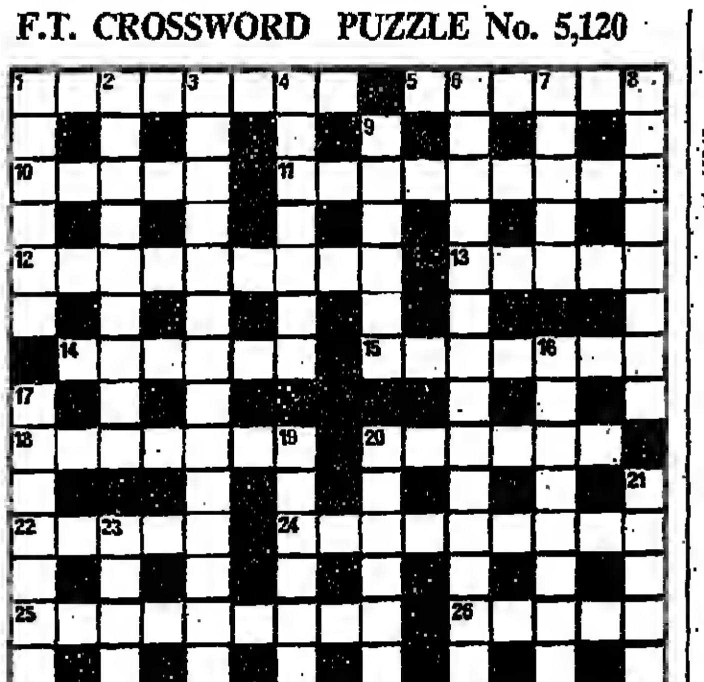
I am afraid I cared little, for I did not believe in any of these puppet characters, except perhaps Cheryl, who made a quick date with Crocket and a quicker date with one of the punks a minute later. Crocket says things like "It is the uproarious fascination of things," which is his catch-phrase. Chipps's aunt says "In the closing days of September one's thoughts turn irresistably to porridge." Her lover, more significantly than anyone else in the play, says "Gives me a funny feeling, this kind of thing," when he learns about Chipps. At least he does not ask if he takes sugar.

It's the plays that the Radio 4 addicts always mention when they are opposing the suggestion of their exile to the local stations. (I wonder, incidentally, if it occurs to them that the local stations won't divide into two channels the way Radio 4 does.) I can't see what real difference it would make if *A Royal Favour* and *Chipps and Crocket* were to be transferred, assuming, as I said last week, that the local stations equated their time-schedules. Is the prospect of switching from one channel to another so genuinely distressing? Television-viewers do it all the time. If the worst comes to the worst, one can get a push-button set.

RADIO

B. A. YOUNG

F.T. CROSSWORD PUZZLE No. 5,120



A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....

....

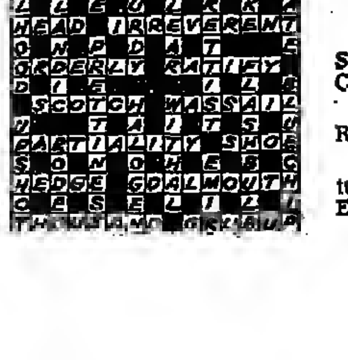
ACROSS

1 Give greater fair-winning potential? (8)
5 Jet to crash in half a second, what does pilot do? ... (6)
10 ... skill required of our fliers caught outside (5)
11 Nine on the field at Twickenham? (5-4)
12 Relative awaiting settlement (9)
13 The two in Wightman split? (5)
14 I, the first one in the grammar school ... (6)
15 ... great at translating lines of Henley (7)
18 Lawn swallows tennis opening-pair—find an official (7)
20 This case sounds chesty (6)
22 One paying for use of some Wiltshire residence (5)
24 Early plan for Conservative manifesto? (9)
25 Reductions in modern dance-hall, nuts perhaps! (9)
26 Stone is on the way up north (5)
27 The Ag in cloudage? (6)
28 Forest, mainly, burning so intensely (8)

DOWN

1 Firm in desperate need has to scramble (6)
2 Curse and swear using rough hemp and getting blasé about it (9)
3 Behave without reserve, loosen the inward parts (3, 4, 4, 4)
4 Oriental spring-holiday name (7)
6 End of the line for lemmings? (7-3, 5)
7 Paradoxically, it can be fast in the water (5)
8 Is flannel its concomitant? (4-4)
9 Fielding, for instance, is a ceremony in Worcester outfields (6)
16 Quaking, I tend trap with care (9)
17 Lily's amazing shop-deal (8)
19 Means of removing whitewash from half-deck sea-berth (8)
20 Such a yacht, given weight, could be on canvas (7)
21 Metallic driving-off peg? Cunning round! (6)
23 Colophony, aiding euphony? (5)

Solution to Puzzle No. 5,119

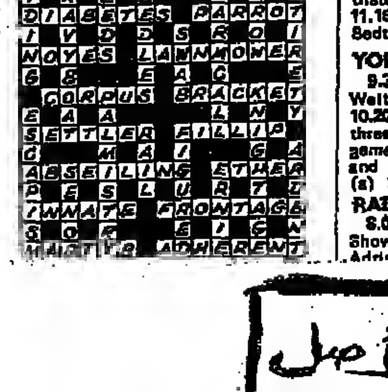


SOLUTION AND WINNERS OF PUZZLE No. 5,114

Mrs P. M. Rigg, Ellens Ide Stores, Blennerhasset, Carlisle, Cumbria.

Mrs J. Snook, 117 Overstone Road, Harpenden, Herts.

Mr D. Sutherland, 32 Middleton Avenue, Chingford, London, E4 8EG.



BBC 1

† Indicates programme in black and white

6.25-8.55 am Open University. 9.00 Hold Down a Chord. 9.15 Saturday Superstore. 12.12 pm Weather.

12.15 Grandstand including 12.45 News Summary; Football Focus (12.20); Racing from Chepstow (12.50, 1.20, 1.50); Cheltenham Preview (1.10); Motor Racing Preview (1.40); World Figure Skating Championships from Helsinki (2.10); Athletics from RAF Cosford, GB v the U.S.; 3.45 Half-time soccer scores; Rugby League (3.55): The State Express Challenge Cup Third Round, St Helens v Featherstone Rovers; 4.35 Final Score.
5.10 News.
5.20 Regional Variations.
5.25 The Dukes of Hazzard.
6.15 Jim'll Fix It.
6.50 The Saturday Film: "Trouble In The High Timber Country," starring Eddie Albert.
8.25 Paul Squire, Esq.
9.00 News and Sport.
9.15 Dynasty.
10.05 Terry Wogan with guests, music and entertainment.
10.50 The Martian Chronicles by Ray Bradbury.

REGIONAL VARIATIONS:
Wales—5.20-5.25 pm Sports News Wales.
Scotland—5.20-5.25 pm Scoreboard. 12.25 am Scottish News Summary.
Northern Ireland—5.00-5.10 pm Northern Ireland Results (opt. out from Grandstand). 5.20-5.25 Northern Ireland News. 12.25 am Northern Ireland News Headlines.
England—5.20-5.25 pm London and the South-East: Sport; South-West (Plymouth): Spotlight Sport. All other English regions: Sport/Regional News.

BBC 2

6.25 am-3.10 pm Open University.
†3.15 Saturday Cinema: "Stolen Assignment," starring John Bentley and Hy Hazell.
4.15 The Sky at Night.
4.35 "Uproar In Heaven" (an animated feature film from China).
6.25 Buongiorno Italia!
6.50 Sight and Sound in Concert: A Flock of Seagulls on stage at the Regal Theatre, Hitchin (simultaneously broadcast with Radio 1).
7.30 News and Sport.
7.50 Saturday Briefing.
8.25 "Girl of the Golden West," by Giacomo Puccini: Opera performed by the Royal Opera, Covent Garden.
9.25 Diversions.
9.30 "Girl of the Golden West" (continued).
10.50 News on 2.
10.55-1.10 am Film International: "Flame Top" (Finnish film with English subtitles).

BBC 2 Scotland—As above except: 3.10-4.35 pm Labour Party Conference.
BBC 2 Northern Ireland—As above except: 3.15-4.15 pm Ulster Orchestra.

LONDON

6.00-9.15 am TV-am Breakfast Programme. 9.30 Sesame Street. 10.30 The Saturday Show with Isla St Clair.
12.15 pm World of Sport: 12.20 World Cup Ski-ing from Aspen, Colorado, and from Mont Tremblant, Canada; 12.30 Ice Speedway from Eindhoven, Holland; 12.45 On the Ball; 1.15 News; 1.20 The ITV Four from Sandown and Ayr (introduced by John Oaksey and Brough Scott; 2.35 The World Cup Figure Skating Championships (Ice Dance Final) from Helsinki; 3.05 Hockey: England v West Germany from Wembley; 3.45 Half-time Soccer News and Reports; 4.00 Wrestling; 4.45 Results.
5.05 News.
5.15 Greatest Hits: 1968.
5.45 Chips.
6.40 Punchlines.
7.10 3-2-1.
8.15 Murder, Mystery, Suspense.
10.00 News.
10.15 The Big Match.
11.15 London News Headlines, followed by "Get Carter" starring Michael Caine and Britt Ekland.
1.15 am Close: Sit Up and Listen with Sir Michael Hordern.

CHANNEL 4

1.35 pm Go Fishing with Jack Charlton.
†2.05 The Gathering Storm: "Escape," starring Norma Shearer and Robert Taylor.
†3.55 "Tell Me If It Hurts."
†4.15 "1880."
4.35 Password.
5.05 Brookside.
6.00 7 Days.
6.30 News Headlines followed by Preview 4.
6.45 A Week in Politics.
7.30 Gastank.
8.30 Hollywood.
9.30 Patti.
10.00 Upstairs, Downstairs.
11.00 Malu Muhler.
†12.05 am Death in the City: "G-Men," starring James Cagney.

S4C WALES
1.40 pm Shakespeare Lives. 2.05 Common Interest. 2.30 The Year of the French. 3.25 The Tube. 5.00 Yr Awr Fawr. 6.00 Upstairs, Downstairs. 7.00 Twyllo'r Teulu. 7.30 Newyddion. 7.45 Aron, Aron Yn China. 8.40 Patti. 9.10 Glas Y Dorlan. 9.40 Y Mess Chwarae. 10.30 On Our Land. 11.25 Alfred Hitchcock Presents.

ANGLIA
5.35 am God's Story. 9.50 European Folk Tales. 10.05 Star Fleet. 10.15 pm Match of the Week. 11.15 In Concert: Liberace. 12.40 am At The End of the Day.

BORDER
6.40 am Kum Kum. 10.05 Star Fleet. 10.20 pm Match Time. 11.25 Lou Grant.

CENTRAL
5.35 am God's Story. 5.50 Larry The Lamb in Toytown. 10.05 Star Fleet. 10.15 pm Star Soccer, hosted by Gary Newbon. 11.15 Thriller: "Someone at the Top of the Stairs," starring Donna Mills and Judy Carne.

CHANNEL
5.15 pm Puffin's Pla(i)ce. 5.20 Happy Days. 5.45 Falcon Crest. 11.15 City of Angels.

GRAMPIAN
8.35 am God's Story. 8.50 Noddy. 10.05 Star Fleet. 10.15 pm Scotsport—action from one of today's quarter-final ties in the Scottish Cup and FA Cup, plus highlights from the semi-finals of the Scottish Open Squash Championships. 11.15 The Streets of San Francisco. 12.10 am Live at the Millionaire: Stan Stutzman and Friends. 12.40 Reflections.

GRANADA
8.35 am God's Story. 8.50 Cartoon Time. 10.05 Star Fleet. 10.20 pm Match Time. 11.20 The Late Film: Claire Bloom and Richard Crenna in "Red Sky At Morning."

HTV
8.35 am Ask Oscar! 10.05 Star Fleet. 12.13 pm HTV News. 5.12 HTV News. 11.20 Barney Miller. 11.50 Portrait of a Legend: Petula Clark.

SCOTTISH
8.35 am Wattoo Wattoo. 8.40 The Smurfs. 10.05 Star Fleet. 10.20 pm Scotsport: highlights from today's Scottish Cup quarter-finals; from the FA Cup and from the semi-finals of the Scottish Open Squash Championships. 11.20 Late Call. 11.25 House Calls. 11.55 The Two Of Us.

TSW
8.25 am Look and See. 8.30 The Saturday Show. 10.28 Gus Honeybun's Magic Birthdays. 10.30 Star Fleet. 10.50 The Fugitive. 11.40 WKRP in Cincinnati. 12.12 pm TSW Regional News. 5.15 Newsport. 5.20 Happy Days. 5.45 Falcon Crest. 11.15 City of Angels. 12.10 am Postscript.

TVS
9.35 am Secret Valley. 10.05 Star Fleet. 12.12 pm TVS Weather. 5.45 Saturday News. 5.50 Chips. 10.15 The Saturday Match, introduced by Fred Dinenage with comments from George Best. 11.15 The BDF presents the 1983 European Professional Latin American Dance Championships. 12.00 Making A Living. 12.30 am Company.

TYNE TEES
8.30 am Morning Glory. 8.35 The Fantastic Four. 10.00 Star Fleet. 12.13 pm North East News. 5.45 North East News. 10.15 Shoot. 11.15 A Study of Terror. 1.00 am Poet's Corner.

ULSTER
10.05 am Star Fleet. 1.18 pm Lunchtime News. 5.00 Sports Results. 5.13 Ulster News. 10.14 Ulster Weather. 11.15 Lou Grant. 12.10 am News at Bedtime.

YORKSHIRE
9.30 am Gardening Time. 9.55 Wattoo, Wattoo. 10.05 Star Fleet. 10.20 pm Match Time: Action from three of the day's most important games, with Elton Welsby, Denis Law and Martin Tyler. 11.25 Thriller.

(S) Stereo (when broadcast on VHF)

RADIO 1
8.00 am Tony Blackburn's Saturday Show. 10.00 Mike Smith. 1.00 pm Adrian Juste (S). 2.00 A King in New York (S). 2.05 Paul Gambaccini (S). 4.00 You'll Never Walk Alone with John Peel (S). 6.00 Rock On (S). 6.50 Sight and Sound in Concert featuring A Flock of Seagulls (a simultaneous broadcast with BBC2) 7.30 Janice Long. 10.00-12.00 Gary Davies.

RADIO 2
8.05 am David Jacobs (S). 10.00 Sounds of the 60s (S). 11.00 Album Time (S). 1.00 pm Wall's The Name: A Radio Birthday Card to Max Wall on his 75th Birthday. 1.30 Sport on 2: Football: Half-time scores at 3.45, second-half commentary on one of today's Cup ties at 3.55; Athletics: England's men at RAF Cosford; Racing from Sandown Park and 2.15 (William Hill Imperial Cup); Rugby League: State Express Challenge. 5.00 Football Results. 5.30 Rugby Round-up. 5.50 Racing Results. 5.53 Final Pools Check. 6.00 Country Greats in Concert. 7.00 Beat the Record with Keith Fordyce. 7.30 Big Band Special (S). 8.00 Saturday Night is Gala Night (S). 8.51-9.05 Interval Talk. 10.00 Hilversum Greets Radio 2 (S). 11.02 Sports Desk. 11.10 Barry Took's Late Show (S). 2.00-5.00 am Bill Rennells introduces You and the Night and the Music (S).

RADIO 3
8.00 am News. 8.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.15 Digital Release (S). 11.25 Bournemouth Sinfonietta (S). 1.00 pm News. 1.05 Lost and Found (S). 2.00 Decade: The 1950s (S). 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. 6.35 Andor Foldes Plays Beethoven (S). 7.25 Beethoven: The Creatures of Prometheus (S). 8.40 The Nuclear Issue: A debate between Edward Luttwak and E. P. Thompson. 9.25 Orford String Quartet (S). 10.50 Echoes of an Opera (S). 11.15-11.18 News.

RADIO 4
7.00 am News. 7.10 Today's Papers. 7.15 On Your Farm. 7.45 In Perspective. 7.50 It's a Bargain. 7.55 Weather, travel, programme news. 8.00 News. 8.10 Today's Papers. 8.15 Sport on 4. 8.48 Yesterday in Parliament. 8.57 Weather, travel. 9.00 News. 9.05 Breakaway. 9.50 News Stand. 10.05 The Week in Westminster. 10.30 Daily Service (S). 10.45 Pick of the Week (S). 11.35 From Our Own Correspondent. 12.00 News. 12.02 pm Money Box. 12.27 I'm Sorry I Haven't a Clue (S). 12.55 Weather, programme news. 1.00 News. 1.10 Any Questions? 1.55 Shipping Forecast. 2.00 News. 2.05 Thirty-minute Theatre. 2.35 Medicine Now. 3.05 Wildlife. 3.30 The Golden Obsession. 4.00 News. 4.02 International Assignment. 4.30 Does He Take Sugar? 5.00 Herbs, Useful Plants. 5.25 Week Ending (S). 5.50 Shipping Forecast. 5.55 Weather, travel, programme news. 6.00 News. 6.25 Desert Island Discs (S). 7.20 Stop the Week with Robert Robinson (S). 8.00 Richard Baker (S). 8.30 Saturday-night Theatre (S). 9.58 Weather. 10.00 News. 10.15 When I Write You, I Write Everything. 11.00 Lighten Our Darkness. 11.15 Stop the Week with Robert Robinson (S). 12.00 News.

BBC RADIO LONDON
5.00 am As Radio 2. 7.32 Good Fishing. 8.04 London Today. 8.33 The Magic Carpet Company. 9.03 Openings. 9.30 Corridors of Power. 10.02 All that Jazz. 11.30 Robbie Vincent's Saturday Show. 2.02 pm Breakthrough. 3.30 The Great Composers. 5.30 Evening Star. 5.30 Radio Replies. 7.00 Close Encounters. 7.30 As Radio 1. 12.00-5.00 am Join Radio 2.

CHESS SOLUTIONS

Solution to Position No 465

(b) The game was drawn after 1...K-B5; 2 K-K4, K-B6! (taking either pawn loses to 3 K-Q4); 3 K-K3, K-B5; 4 K-K4, K-B6. (a) loses to K-Q4; 2 K-Q3, KxP; 3 P-B4 with an outside passed pawn; (c) loses to KxP; 2 K-Q4, K-R6; 3 K-B5, P-N5; 4 K-N5, K-N7; 5 KxP followed by K-B5-Q6xP.

Solution to Problem No 465

1 B-K3, K-Q6; 2 R-B5, K-K5; 3 B-KB5 mate.

THEATRES

ADELPHI. S. CC. 836 7611. MARILYN! The Musical. Now previewing. Opens Mar 17. Evgs 8.0. Mats Wed & Sat 3 pm. Credit card Hotline 930 9232.

ALBERY. S 836 3878. CC 379 6565/930 9232. Grp bkgs 836 3962/379 6061. Evgs 7.30. Thur & Sat mat 3.0. ELIZABETH QUINN, RON ALDRIDGE, CHILDREN OF A LESSER GOD. 2nd sensational year. [illegible]

[illegible]

... on stage. Advanced Box Office open. Group sales 01-379 6061.

HAYMARKET THEATRE ROYAL. 930 9832. Grp sales 01-379 6061. REX HARRISON, DIANA RIGG, ROSEMARY HARRIS, FRANK MIDDLEMASS, DORIS ARE, MEL MARTIN, PAXTON WHITEHEAD, PAUL CURRAN and SIMON WARD in HEARTBREAK HOUSE by Bernard Shaw. Directed by John Dexter. Evgs 7.30. mats Wed 2.30. Sats 3.30.

KINGS HEAD. 226 1916. Dnr 6.45. Show 7.45 plus Late Night perf Ton't (Show only) at 11.15 pm: MR CINDERS. A musical comedy. Music by Vivian Ellis. [illegible]

[illegible]

هكذا أصل الأصل

WINE/COLLECTING

In bags instead of bottles

BY EDMUND PENNING-ROWSELL

ONE OF THE MOST interesting developments for a very long time in the marketing of wine has been what is colloquially known as the "bag-in-a-box." It started here around 20 years ago not very successfully with what was called Vinpac. It was more recently taken up in Australia, particularly by Wynns of Melbourne and Gramps in the Barossa Valley of South Australia.

There it has been known as "wine in cask," largely because the cardboard boxes, generally larger than three-litre sacks found over here, have a cask printed on them. When I was in Australia nearly five years ago they were said to represent 25 per cent of total wines sales; now the percentage quoted is around 40. About three years ago some "surplus stocks" of Australian "cask" wines found their way over here with the somewhat doubtful name of Botany Bay, and started something like a boom, now said to account for 10 per cent of the total off-trade wine sales.

One reason why the British wine trade, by no means unenterprising, came to this later than might be thought, was the problem of securing a properly non-porous metalised, multi-layered, plastic bag in which the wine would remain fresh and non-oxidised. It was only when more than one layer of the plastic bag was used that the problem of keeping the wine in good condition was apparently solved in Australia. Perhaps another reason is that a considerable proportion of the wine trade here has been less than enthusiastic about them, and a good many firms' wine buyers still are, mostly owing to their doubts about the keeping qualities, and the profitability at margins said to be as low as 10 or 5 per cent.

Nevertheless, if the wine is good and the packaging sound, the attractions of these "pack" are obvious. First, if one is shopping personally, a compact three-litre box—the normal size—is a good deal easier and lighter to carry home than the equivalent four 75cl bottles. Secondly, it is easier to turn on a tap than draw a cork; especially some of those Italian ones that seem to be made more of wood than cork. Thirdly, and most important of all, they are very convenient for those who at any particular time only want a glass of wine for themselves and/or a caller; whereas it may be wasteful, and therefore expensive, to open a whole bottle, which if not consumed at once, is likely to taste flat and less than fruity next day.

It is also thought by many that it is cheaper to buy wine this way, but this is not so. Hitherto it has been generally agreed that it is more expensive to fill the bags than the bottles, although one or two of the biggest sellers may have benefited from the economies of quantity. According to one quotation I have heard, the box costs about 56p for large quantities.

However, the key considerations are the quality and the condition of the wine, and here the position is all too often far from satisfactory. Such has been the competition to jump on the bag-waggon that prices have been sharply cut almost everywhere. For the popular 3-litre size they have ranged from £7.50 to £8, although some have gone both lower and higher, but within this common price-bracket this is equivalent to £1.87 to £2 a bottle: "frontier" prices for those who like to drink something reliable, but not impossible.

It all depends on the source and quality of the wine and how it has been treated before, during and after the bagging. In this very competitive business the main variable is the cost of the wine, and there is no doubt that some of the boxes have contained very poor wine. So much so that a London firm that claims to have bagged more than 50 per cent of the total volume packed by contract packers have recently felt obliged to issue to its customers a series of terms and conditions of business. In an accompanying letter it states that "it has now become apparent that some wines shipped have been totally ill-prepared prior to shipment and others, for a variety of reasons, are unstable or unsuitable for 'bagging' . . . many wines have arrived in a 'filthy condition.'" Some wines have arrived "in a disgraceful condition with very high infection of yeast and bacteria." Italian wines have been singled out for criticism, as well as EEC wines low in alcoholic strength. Some box makers, new to this specialised work, have been accused of producing "leakers," which of course results in oxidation. It has been suggested by others that the weak spot here is the tap attached to the bag.

The unique advantage of these bag-in-a-box wines is claimed to be their keeping quality, for that is why they are bought: but this is where many of them fail. In the past six months I have taken part in at least three mass blind-tastings of these boxed wines, as well as several much smaller comparative tastings, and apart from poor quality wines the major fault has been oxidation. This is not difficult to detect. The wines smell and taste like the glass full left overnight and drunk next day: it is flat and has lost freshness and fruitiness that one can fairly demand of any wine. Some of the white wines have been powerfully sulphured, to avoid a secondary fermentation.

Bagging too is pretty hard on the wines, for they are heavily filtred to ensure that they are "sound." Colour and flavour may suffer, but from then on they are claimed to have a shelf-life of anything up to several months, even after being "tapped," but this cannot be relied on. And how long is their shelf-life in over-heated stores?

So far as the faults arise from technical deficiencies, there is no reason to doubt that they will be solved. (They seem to have done so in Australia, unless the vast number of "new" wine drinkers there are very uncritical, or keep their predominantly white "casks" so long in the refrigerator that the wines are practically tasteless). The quality of the wine is another matter, and largely depends on an adequate margin of profit that is said generally not to exist now, owing to the competition. (At one tasting I recently attend there were 26 different reds and 50 whites! I "stayed with" the former).

The wines that seem to have come out best in various blind tastings have been the moderately sweet ones, such as Liebfraumilch or Niersteiner. If not over-sulphured they seem to survive the bagging better than some. Otherwise, on the whole the better examples have come from the larger wine firms, who doubtless have their own bagging equipment, which is very different from a bottling line.

I cannot say, however, that I have been very lucky with the wines of the brand-leaders, Stowells, who very much started the big-scale business here. But boxes from the same sources appear to vary to a surprising degree for what after all are pretty standardised wines, and I have had some very poor box wines from firms of good reputation in the wine trade.

Poor Dadd and the Fairies

BY JANET MARSH

ON TUESDAY Sotheby's are to sell—for the second time in 20 years—Richard Dadd's "Contradiction—Oberon and Titania," one of the most extraordinary pictures of the 19th century, both in its accomplishment and its history. If it had no other claim to fame it would still represent the apogee of the Victorian school of fairy painters.

Perhaps it was the domination of materialism in their daily lives that caused the Victorians to turn so eagerly to the immaterial in their literature and art. Victorian children were raised on Grimm (illustrated by George Cruikshank of course), Hans Anderson and later Charles Kingsley and Lewis Carroll. *The Tempest* and *A Midsummer Night's Dream* overtook all the rest of the Shakespearean repertory in popularity. Spiritualism came into vogue in the 1850s; and in 1853 Dickens reflected, "In a utilitarian age . . . it is a matter of grave importance that fairy tales should be respected."

Shakespeare lured a lot of Victorian painters into fairyland, among them Millais, C. R. Leslie and Landseer with his *mystical and erotic vision of A Midsummer Night's Dream*. Some painters, notably Joseph Noel Paton, J. A. Fitzgerald and Richard Doyle (whose labyrinthine illustrations in *The Illustrated London News* were an indispensable feature of Victorian Christmases devoted a major part of their creative effort to this other world.

None, however, travelled deeper in the fairy realms than Richard Dadd. He was born in 1817 in Chatham where his father was a chemist and geologist, and a prominent and respected citizen. In the early 1830s the family moved to London and Richard, whose talent was already evident, was enrolled in the Academy Schools and was soon exhibiting his paintings and receiving profitable commissions.

He became the centre of a little society called "The Clique," whose members included William Powell Frith, Augustus Egg, E. M. Ward and John Phillip. A conscientious student, he became a superb technician.

In 1841 and 1842 he exhibited his first fairy paintings, which today seem astonishing for their composition, their effects of light and their fantasy. There is nothing sentimental or mawkish about Dadd's fairies: *these tiny, naked, perfect* creatures inhabit another country, where the familiar things like grass and flowers, toadstools and dewdrops acquire new aspects.

Dadd at this time was a strikingly good looking young man. His friends all described him as a lively and generous companion. He was a natural choice for a rich traveller, Sir Thomas Phillips, who wanted to take along an artist to provide a visual record of a ten-month tour through Europe and the Middle East.

The tour filled Dadd's sketch books with thrilling new visual experiences; but perhaps it was too exciting as well as too gruelling. He suffered a severe sun stroke; but perhaps the various strains of the tour only provided a trigger to mental weakness that was already present (two brothers and a sister were also to succumb to acute mental instability). When Dadd returned home in the summer of 1843 it was clear that he was insane.

His behaviour was unpredictable and sometimes violent. He suffered from delusions of secret admonitions from the Egyptian god Osiris and of a mission to destroy the Devil who was pursuing him in various *forms. His loving father rejected* advice to have him put under restraint, which was regrettable since Dadd had by this time conceived the notion that his father was, in fact, the Devil.

One summer night in 1843 he persuaded the elder Dadd to accompany him to Cobham, where he stabbed him to death after trying to cut his throat with a razor. Having made careful preparations in advance he immediately embarked for France in quest for more Devils, though he had only time to injure a hapless fellow traveller in a carriage before he was apprehended. After a year in French asylums he was returned to England and placed in Bethlehem Hospital.

Dadd's biographer, Patricia Allderidge, has pointed out the particular purity of Dadd's vision: "more than any other painter he stands alone as an isolated phenomenon, working almost outside time itself." He was cut off from the revolutions of the main stream of Victorian painting. His work was never motivated by ambition, economic need or criticism.

Earlier generations were inclined to regard Dadd's work as case studies; we appreciate them as great painting. When "Contradiction—Oberon and Titania," was sold in 1964 it *realised £7,000*. Next week its price will certainly be in six figures.

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SPORT

Ben Wright on another Nicklaus, Miller, Weiskopf battle

When we three meet again . . . an exciting prospect for Augusta

THE TRIUMPH of Johnny Miller over Jack Nicklaus, who passed 27 players to finish second in the Honda Inverrary Golf Classic last weekend in Fort Lauderdale, Florida, and Tom Weiskopf's startlingly successful comeback in the Doral-Eastern Airlines Open in Miami a week earlier evoked memories of possibly the best ever modern-era U.S. Masters tournament finish at Augustus National Golf Club in 1975.

On that occasion this formidable trio battled down the finishing stretch to the final putt before the issue was decided in favour of Nicklaus by a single stroke. In hindsight it might be said that it was this defeat rather than many others at the hands of his deadliest rival and fellow native of Columbus, Ohio, that finally broke Weiskopf's heart.

Incidentally Weiskopf (1969, 71, 72, 81) and Ben Hogan (1942, 46, 54, 55) share the doubtful honour of having finished second in the Masters four times each. But, of course, Nicklaus has been compensated by four epic victories, and Hogan previously triumphed twice.

Weiskopf's tragedy turned to black comedy in 1981 when he took first 13 and the seven shots in successive rounds at the 155 yards 12th hole at Augusta to miss the cut for the first time. Thus in 1981 he was absent from the field for the only time in 15 years.

Last year he was right in contention until amazingly losing his ball by hooking it deep into the trees at the 10th hole. Since there is little or no rough and fast crowds of spectators, to lose a ball at Augusta is virtually impossible. It is my obvious contention that someone purposefully stole that of the unfortunate Weiskopf. Tom finished shell-shocked with a 75, but still missed the play-off by only six shots.

Weiskopf missed the first seven tournaments of this season because of a freak hunting injury that badly dislocated and hyper-extended his left thumb. He slipped and fell on the icy platform of a truck while trying to rescue a favourite dog whose paw had been caught between platform and tailboard.

At Doral, Weiskopf had rounds of 71, 67, 70 and 72 for an eight under par total of 280 that tied Nicklaus for eighth place. Tom was duly ecstatic about his customarily majestic play. But not unnaturally after such a long lay-off he could not, as they say in the trade "buy a putt."

What makes the prospect of a renewal of the trio's intense rivalry at Augusta (April 7-10) so exciting is that Nicklaus's friends and relatives maintain that he has never worked as hard as he has done this winter at home.

Like Miller, his putting has looked more and more comfortable and efficient with each outing. Miller is also thrilled at the accuracy of his iron play. In both facets of the game he sees himself back very close to the level of brilliance he achieved in his golden days in the 'seventies.

The opening stanza of the 1983 season has been an auspicious one. Scores of 65 and below have become commonplace, many of them recorded by players who, nevertheless, were not able to win the tournaments in question.

For instance at Tucson, Scott and Hoch had a 63 but were still not involved in a three-man play-off won by Dr Gil Morgan. George Archer had a 61 in Los Angeles, Fuzzy Zoeller a 64. But both were eclipsed by Morgan, whose third round of 63 was his best as he started the year with consecutive victories.

Morgan has since told me how eerie it was to finish virtually alone and unwatched in Los Angeles because tens of thousands, hoping for an Arnold Palmer victory, which would have been his first in the U.S. since 1973 outside the senior ranks, cheered their idol every inch of the way. Palmer led with nine holes to play only to destroy himself by dropping strokes to par at the next three holes.

Keith Fergus's last three rounds in winning the Bob Hope Desert Classic were all 65s, and it was here that "Crazy" Rex Caldwell, all of whose worldly goods travel with him in a van, lost the first of two successive plays-off.

The following week in Phoenix it took Bob Gilder eight holes of anything but sudden death to shake off Caldwell. Nine players scored 65 here, three more had 64s but Gilder's best score was 66.

Winner Tom Kite's record 62 at Pebble Beach in the third round of the Bing Crosby tournament was disparaged by many because bad weather allowed the players to lift, clean and place their golf balls. But in my opinion it was a glorious performance that may never be eclipsed.

Andy Bean and Ray Floyd scored 64 in Hawaii and San Diego respectively. But Japan's Isao Aoki became the first player of his race to win a USPGA Tour event in Hawaii when he holed out his 128 yards wedge shot for an eagle three at the 72nd hole to make Jack Renner — thus beaten by one—an unluckier loser than even Caldwell, who had also finished second in the Crosby.

It took the formally brilliant amateur Gary Hallberg nearly four years before he achieved his first professional victory in San Diego. But by making up five shots to beat Kite he made winning all the sweeter.

Another former Walker Cup player Gary Koch then won for the first time in five painful years at Doral. But this Gary had five strokes to spare over his nearest rival at the finish. Where were the Europeans all this time?

Nick Faldo is not in the top 130 as yet, and Seve Ballesteros, who dashed to Doral from Australia, duly missed the cut there, but made a small cheque last week and is probably our best hope for success in either the forthcoming $700,000 Tournament Players' Championship or at Augusta.

Tom Weiskopf—an exciting comeback

Peter Robbins looks at the problems of the New Zealand Rugby tour

An uncertain pride of Lions

THE LIONS Rugby party to tour New Zealand this summer will be announced on March 21 after the two final internationals in Dublin and Paris. Since it has scarcely been an annus mirabilis for the home countries, the choice of players is limited.

A Lions' touring party consists of 30 players, 20 are automatic choices, but this time picking the other 10 will exercise the selectors enormously.

It is to be hoped that the Lions selectors show more logic than their English counterparts who this week have made some extraordinary fundamental errors.

The first problem to be faced is the choice of captain. Ideally, he must be sure of his Test place on his own merit but there have been cases where *captains have been chosen without*, that point being made before departure.

The field is very narrow. I do not envisage Butler of Wales going at all, Aitken of Scotland might conceivably go in spite of his age and Scott of England has had such a poor season that he too may not make the trip.

Scott's leadership of England against Scotland was patently uninspiring and for a man with such physical attributes his play this season has been very inure. That leaves Ciaran Fitzgerald, the Irish captain, apparently self-selected. Or does it?

In technical terms, he does not compare with Deans or Wheeler. Wheeler was pointedly passed over twice for England's captaincy and therefore would seem not to receive support from his own selectors.

The other possibility is Squire now that he has made himself available. He would have to go as a No. 8 rather than a flanker. On balance, I think the selectors will finally opt for Fitzgerald with Deans as his understudy, though I would prefer Wheeler and Deans to go as the two hookers.

Wyatt has played himself into the side after his fine display against Ireland and the other full-back place should go to Hare though neither MacNeill of Ireland, nor the versatile Welshman, Evans of Maesteg, should be discounted.

Scotland's left wing Baird has had a very good season and looks to have booked his trip though the second choice is difficult. Finn of Ireland has shown good finishing touches but there again, Clive Rees is enjoying something of an Indian summer.

One of the right-wing positions should be taken by Carleton leaving Ringland of Ireland and Elgan Rees as second choice. An option here though would be to take Kiernan, the Irish centre, as a wing. Now that Trick has been selected for England he may too come into the reckoning.

Taking Kiernan depends on how the centres are permutated and here my first choice would be Ackermann whose steady play has had so much to do with Wales's improvement. Irwin, the other Irish centre, seems certain to go and in spite of the England selectors' misgivings I would take Huw Davies.

An imaginative game in Dublin could also earn Woodward a place in the centre always remembering the challenge posed by Kiernan.

With the exception of one scrum-half the four half-backs pick themselves, Campbell and Rutherford at fly-half, Holmes for the first team scrum-half position. I know that McBride would like to see his scrum-half take on the All Black back row and Laidlaw played so well against England in this role. Yet I have a strange feling that they will opt for Melville who significantly is much admired in Ulster.

The other contentious area is in the front row. Orr is unavailable, neither Smart nor Pearse is really good enough and it may well be that Wales will provide at least three props in Price, Staff Jones and Eidman.

Aitken could fill the other loose head position but there must be serious doubt over the choice of the fourth prop. I understand Colclough is hoping to be fit for the tour and if so he will be the universal first choice. The others should be Bainbridge, Norster and Lenihan.

Should Colclough not be fit, then I would fancy Sydall's chances very highly. How England could have used him this season to lend drive to a desultory pack.

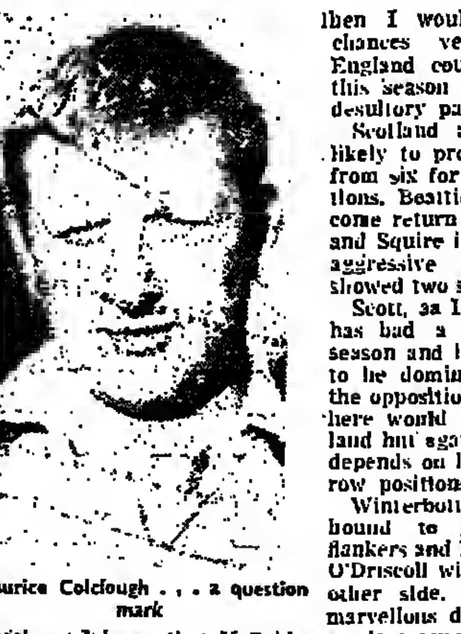
Scotland and England seem likely to provide at least four from six for the back row positions. Beattie has made a welcome return as Scotland's No. 8 and Squire is now back in that aggressive form which he showed two seasons ago.

Scott, as I have said already, has had a very disappointing season and has allowed himself to be dominated too easily by the opposition. The third choice here would be Paxton of Scotland but again the combination depends on how the other back row positions are filled.

Winterbottom and Calder are bound to go as the quick flankers and I think Jeavons and O'Driscoll will be picked on the other side. O'Driscoll has a marvellous defence particularly at close quarters. These selections would sadly leave out David Leslie of Scotland who is such a selfless player. It would not surprise me if room were made for him somewhere but where and at whose expense is difficult to forecast.

So, with two or three exceptions the team will be without star players but curiously this could be its biggest strength. McBride and Telfer share the same philosophy that Rugby is a simple game complicated only by the players. Both will go for players whom they term winners.

They will go for efficiency and commitment as opposed to frills but neither is so blind as to believe exclusively in 10-man rugby. The rugby this team will play will be simple and thorough and also hard. Whoever goes must accept that philosophy and be prepared for a very hard tour.



Maurice Colclough . . . a question mark

Mid Day Gun to beat Grittar

RACING

DOMINIC WIGAN

JOHN FRANCOME, who was fully expected to be back on board Grittar at Sandown today after ultrasonic treatment needed after a spill at Stratford, has felt obliged to forgo this afternoon's mount on the Grand National favourite.

Grittar will now attempt to give away weight all round in the Sandown Open Chase under an *extremely able* deputy in Paul Barton.

The partnership will be well to the fore from the outset; but after almost a year's absence from the course Grittar is likely than the Frank Gilman 10-year-old, whose task in the 1982 National was made comparatively simple through the to be hard pressed to hold some *smart* and race-fit opponents in the closing stages. A better bet furious interference inflicted on Loving Words, is almost certainly Mid Day Gun.

Last time out Grahame McCourt's mount put in a highly encouraging display at Nottingham following an absence of some three months when failing by just a head to *hold Shady Deal. A reproduction* of that form which saw Priest's Rock five lengths back in third place will probably enable Mid Day Gun to wear down Leney Dual.

If there is a blot on the William Hill Imperial Cup Handicap it could well be Thurston who has been let in with bottom weight of 10 st. A prominent contestant for the Holsten Diat Pils Handicap at Newbury a week ago until lack of peak fitness began to tell Thurston will be a different proposition this time. He looks to represent a more realistic each-way bet than most.

Turning to Chepstow, where Silver Wind is likely to foil *Deroulede's hat-trick* bid in the opener, Deep Wealth is the obvious selection in the Panama Cigar Hurdle final despite his tendency to make the odd mistake. Very Promising continues to do little wrong and looks the one for forecast purposes.

SANDOWN
1.45—Upper Note
2.15—Thurston***
2.50—Mid Day Gun
3.20—Fury Boy
3.55—Stilkit
4.30—Aaborun

CHEPSTOW
1.00—Silver Wind
2.00—Deep Wealth
2.30—Tens Or Better

DONCASTER
3.45—Skeghy*
4.45—Dancing Brig**

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Saturday March 12 1983

Seeing beyond next week

IN SPITE of all the drama, it is astonishing how little has actually changed in the past week. Politically, the worldwide polls favour the outs, as might be expected in a grim patch of economic history, sweeping away the Liberals in Australia, confirming the change in West Germany, and expressing disillusion with the Socialists in France. However, since Mr Hawke has started out like a moderate, Chancellor Kohl was there already, and President Mitterrand will be there for some years to come, the world has not greatly changed. The main turmoil has been in the exchange markets, where the D-Mark is again rising almost uncontrollably.

At home, the miners have for the fourth time demonstrated that while they may like a noisy and widely-recognised figure at their head, they don't take his blather seriously: perhaps the most interesting aspect of that vote was the fact that the MacGregor factor, which so frightened a number of politicians, did not impress the miners at all. It is an impressive confirmation that experience of recession, coupled with working incentives, really has altered perceptions about how the economy works. Whatever the mistakes in technical monetary policy, which we have loudly criticised in the past, that is an impressive achievement in less than four years of Thatcherism.

In Britain, indeed, it is the opposition rather than the party in power which seems to the voters to have no answer to the present problems: that is why there is such intense interest in the Darlington vote next Thursday. If the bookmakers have it right, and the Alliance is going to win a North-Eastern marginal with an amiable but reportedly unimpressive candidate, then the mould-breakers are really back in business.

Opec talks

One point which the markets have yet to face squarely is that a resurgent Alliance can make nonsense of all current political forecasts. Next week really could change things — but not because of the characteristically lacklustre budget which Sir Geoffrey Howe seems likely to introduce. The Medium-Term Financial Strategy means that he glories in not changing things.

Two other events which could radically change the outlook in the near term are still grinding inconclusively on: the Opec talks, and the will-it-won't-it U.S. recovery. The odds on a strong U.S. recovery have gone out a little, with the President's chief economic adviser, Professor Martin Feldstein, talking caution almost as strongly as our editorial last week, and retail sales slightly down in the first two months of this year. This is supposed to be a consumer-led recovery, and consumers seem to be sulking on the starting-line. Wall Street is now less euphoric.

In the oil market, the odds on a sharp price fall, well beyond the $5 which the oil ministers seem ready to accept as a *fait accompli*, have clearly shortened, but that is still a bet worth hedging. The self-interest which keeps the Opec ministers talking day after day remains a powerful force, and the published scepticism of the major oil companies, led by BP, is partly a matter of propaganda.

Caution

They are in fact raising the betting, as they might in a tense game of poker, for it is the majors themselves who are keeping up the pressure on Opec by selling from stock rather than buying in the market. Once a credible price is established, demand will rise, and both sides know it: the real question is whether Opec can get its act together for three or four months; it is too early to give a confident answer.

The result is that Sir Geoffrey Howe will rise to present his budget on Tuesday with a distinctly hazy set of financial forecasts in his red despatch box. If the U.S. recovery gets stuck, and weak oil demand imposes a really sharp price fall, he will have a real fiscal problem—although he will also have the comfort of knowing that within a few months, a further $5 off oil will be quite a powerful stimulus to world trade. If the U.S. recovery gets moving, he can also relax; that will tend to strengthen trade and underpin something near the present oil price. Either way, there are strong economic reasons for his normal caution this year.

There are even stronger reasons if we look a little further ahead, and again oil is at the centre of the argument. North Sea revenues would be near their peak now even were the old price still in force; the forecasts show a sharp fall over the next three years. Meanwhile some items of public spending, notably pensions, will be just as inevitably rising. Given that British industry is at last showing some signs of competitive life again, Sir Geoffrey will be more inclined than ever to remember that this is not just his last [?] major budget before an election; it is also, he hopes, the prelude to a second term.

HOWE'S OPTIONS NARROW

What will be in the Budget

By Max Wilkinson and David Palmer

CAN we expect a generous pre-election Budget next Tuesday, with a beaming Chancellor finding lots of spare money to give away?

I'm afraid not. Sir Geoffrey will be trying on Tuesday to tread a very delicate tightrope. On the one hand, he will want the British public to feel that he has been as generous as possible. On the other, he will be anxious to preserve his and Mrs Thatcher's reputation for financial rectitude, so that the financial markets do not lose faith in his policies and he leaves room for lower interest rates. It looks as if Sir Geoffrey will only have a net sum of between £1.5bn and £2bn to "give away," as you put it.

Why is the figure so low? Weren't people talking about much higher figures a few months ago?

Yes, they were. But the British economy has gone through a major structural adjustment in the past five months. Sterling's rate against a basket of other currencies has gone down by 13 per cent since November 1. That is almost exactly the same as the 1967 devaluation of sterling, a move which took the Wilson Government three years of agonising.

Two things normally happen after a devaluation — first, higher import prices put pressure on the inflation rate; second, industry benefits by the reduction of its export prices in foreign currency terms, and after a time lag, exports begin to rise, creating the conditions for an export-led expansion.

In the particular circumstances of the UK today, the fall in sterling has lifted a lot of the pressure off industry. Whereas in the autumn, most commentators were urging Sir Geoffrey to give as much help as he could in his Budget to industry, many of them now feel that devaluation has done the job for him. The net effect is that Sir Geoffrey has *less* room for an expansionary budget than he had in the autumn (because of the dangers of imported inflation); and less need to take direct action to boost industrial competitiveness and profit.

Has the falling oil price also affected his calculations?

Yes. This has direct impact on Public Sector Borrowing Requirement, currently Sir Geoffrey's favourite measure of financial rectitude. (The PSBR is the difference between what the public sector spends and what it earns from taxes and charges.) Very roughly, a $5 oil price cut costs the Government £2bn in lost revenues, almost exactly what he is planning to "give away."

At the end of 1981, the North Sea reference price was $36.50 per barrel. Today, producers are still arguing about a price of $30.50, and all the pressure is downwards. A figure of $25 is being seriously discussed in the Treasury, and a number of commentators think it could go even lower than that. These rather crude calculations take no account of the impact on the exchange rate; but it is generally expected that any major downward shift in the oil price would devalue the pound still further. At this point, the calculations get extremely complex, because a falling pound partially offsets the effect of a declining dollar price of oil.

The first table shows the enormous range of uncertainty facing Sir Geoffrey. Precisely because of this uncertainty, he will probably respond to his natural inclination to be cautious.

What does this mean for the public borrowing target?

It means that Sir Geoffrey will not want to expand his borrowing target much beyond the £8bn set out in his medium term strategy last March, in case the financial tide should turn against him later in the year. On balance, he is likely to choose a target of around £8.5bn.

The main point to stress is that the Treasury's arithmetic is subject to far more uncertainties than usual. In normal circumstances, Treasury forecasts of public borrowing are subject to a £4bn margin of error—not surprising against a total budget of £133bn. Uncertainties about the oil price, the level of sterling, and the performance of the U.S. and world economies make this year's Budget arithmetic even more hazardous.

What kind of tax cuts can we expect within that global figure of £1.5bn to £2bn?

Sir Geoffrey's instinct will be to give a little to everyone, including industry. But the limited sum at his disposal is forcing him to make a basic choice between cutting industry's labour costs and cutting the income-tax burden. In the autumn, before the depreciation of sterling, there was a strong view in the Treasury that the emphasis ought to be on industry.

Abolition of the National Insurance Surcharge from its new level of 1.5 per cent would cost about £1.8bn in a full year. The case for doing this was that NIS is a straight payroll tax. So any cut would help jobs, cut industry's costs, make exports more competitive and help to restore company profits. Now that sterling has come down so much, Sir Geoffrey is likely to respond to a strong political desire to cut taxes paid by the voters and give rather less to industry.

What about an attack on indirect taxes to counteract the inflationary impact of the fall in the currency?

A three percentage point cut in VAT would cost just over £2bn, and would cut prices by about 1½ per cent. Alternatively, Sir Geoffrey could decide not to raise excise duties on petrol, alcohol and tobacco in line with inflation. These moves would both have the effect of giving consumers more to spend and biting into the inflation rate. At present, however, inflation is lower than most people had estimated it would be, so the political pressure to lower it any more is not as great as it was.

That seems to point to a Budget that concentrates on income taxes and tax allowances.

Yes, it does. A 2p cut in the standard rate would cost just under £2bn in a full year. Alternatively, Sir Geoffrey could raise tax thresholds—the point at which we start paying taxes—by more than the rate of inflation. There are also various tax allowances—of which the most significant is the £25,000 limit for tax relief on mortgage interest—that he could play with.

This is where politics—and particularly the politics of an election year—cross paths with economics. The main argument in favour of cutting the standard rate is that the Tories said they would do it when they came to power. The main argument against is that it is expensive, and in particular, it does nothing to increase the incentives for those on the dole to take work by reducing the "poverty trap."

Any attack on the "poverty trap" is likely to concentrate on one of two areas. The first is to raise tax thresholds by more than the rate of inflation, so that the proportion of earned income for the low paid which is tax free rises dramatically. The other approach would be to raise the child benefit by more than inflation, so that an unemployed man with children would have less to lose by going back to work.

In round figures, raising the child benefit from its present level of £5.85 to £9 per week would cost about £1.6bn in a full year. Spending the same £1.6bn on raising tax thresholds and allowances would raise them by about 6 per cent above the level needed to keep pace with inflation. This would also take some 500,000 to 600,000 of the 25m taxpayers out of the tax net.

I can see the case for raising the threshold of the basic rate. But why should he do so for higher rate payers? They are not caught in the "poverty trap."

No, they are not. But many of them are Tory voters, and many more are part of the floating voter middle class. Besides, it is an enshrined Tory principle that lower marginal tax rates increase incentives. Raising the higher rate thresholds costs very little in budgetary terms — a six per cent real increase only costs £65m — and would be popular in the Tory party.

Will he help housebuyers?

The £25,000 limit for tax relief on mortgage interest has not been raised since it was introduced by the Labour Government in 1974. The case for raising it is that it has fallen way behind inflation — it would need to go up to £75,000 to catch up. The great majority of Sir Geoffrey's top Treasury officials, however, are strongly against touching it on the grounds that it is a bad form of tax relief in the first place, and should be allowed to wither away.

You have told me what you think Sir Geoffrey will do. What do other people think he ought to do?

There is quite a large body of respectable opinion that thinks he should "give away" substantially more than £1.5bn to £2bn. These people argue that the recession is so deep, that the amount of unused capacity in industry is so high, and that the trend of unemployment so persistently gloomy that the Chancellor must inject more demand into the economy to help it lift out of the recession. This approach is normally called Keynesian, because it looks to Governments to increase their spending and their deficits in times of recession.

Can you give me some examples?

At one extreme, the Labour Party wants an injection of £11bn, with a major increase in public spending and cuts in both direct and indirect taxes, which they estimate would raise the PSBR to £12bn. Somewhere in the middle, there is the SDP-Liberal Alliance, which wants the PSBR target raised to £11bn. At the more cautious end of the spectrum, the CBI would be happy with a £9bn PSBR, and want the NIS abolished; while the London Business School suggests a similar PSBR target, with the tax relief going on an income-tax cut.

The National Institute of Economic and Social Research has strongly urged more reflationary policies, though it cautions that this should be gradual so that excessive strains are not put on the economy. It says a steady stimulus should be applied to add about 1 percentage point a year to the growth in U.K. output, and argues that higher public sector investment would be the most cost-effective way of creating jobs.

Why will Sir Geoffrey ignore this chorus of advice?

He has called the Keynsian approach a "busted flush." If you start pumping money into the economy, he argues that it will lead to higher inflation, higher imports, and higher interest rates, which will choke off any recovery, as happened in America last year. So he will stick to his Medium Term Financial Strategy—of reducing the proportion of national income taken by public borrowing year by year, so that the money supply is kept under control, and interest rates and inflation follow a long term downward trend.

The goal is for British industry to generate its own revival by increasing efficiency, holding down wage costs, and beating back foreign competition in the home market as well as abroad.

Spriggs

GOVERNMENT REVENUE FROM NORTH SEA OIL

Oil price per barrel	U.S.$/£ Rate 1.60	1.50	1.40	1.30
	£bn			
$31	9.5	10.1	10.8	11.6
$25	7.4	7.8	8.4	9.0
$19	5.3	5.5	5.9	6.3

Source: Phillips and Drew

EFFECT OF INCREASING TAX BANDS

INCOME TAX RATES
Bands of taxable income

Per cent	Present £	By 6 per cent (inflation rate) £	By 12 per cent (double inflation rate) £
30	0-12,800	1-13,600	1-14,300
40	12,801-15,100	13,601-16,100	14,300-16,900
45	15,101-19,100	16,101-20,400	16,900-21,400
50	19,101-25,300	20,401-27,000	21,400-28,300
55	25,301-31,500	27,001-33,600	28,300-35,300
60	over 31,500	over 33,600	over 35,300

EFFECT OF INCREASING INCOME TAX ALLOWANCES

	Present £	By 6 per cent (inflation rate) £	By 12 per cent (double inflation rate) £
Single and wife's earned income allowance	1,565	1,665	1,755
Married allowance	2,445	2,595	2,740
Additional personal and widows' bereavement allowance	889	930	985
Single age allowance	2,070	2,200	2,320
Married age allowance	3,295	3,495	3,690
Aged income limit	6,700	7,200	7,500

Source: HM Treasury

Letters to the Editor

Pensions

From the Director General, British Institute of Management.

Sir,—The loss of pension rights on changing jobs to which you have rightly devoted considerable attention in your columns is one which we have long identified as a source of considerable distress to managers and other professional employees.

The single development which would provide the most immediate impact on the problem would be a change in Inland Revenue rules to allow the establishment of top-up additional voluntary contribution facilities independent of the employer's scheme. An independent AVC scheme could thus meet the needs of job changers and also provide, for example, guidance on the estimated additional contributions needed to compensate for a pension loss on an actual or proposed job change, and for a variable rate contribution determined by altered economic or personal circumstances.

We believe that most mobile managers would be willing to make contributions to such a scheme which would allow them to secure a satisfactory level of pension.

Changes in the existing Inland Revenue rules, to make this possible, however, would require amending legislation. It is a pity that despite the obvious benefits to the individual, as well as the benefit in terms of improved mobility particularly among badly needed "knowledge workers" and managers with initiative, such a measure seems to have little Government priority.

Roy Close.
Management House, Parker Street, WC2.

Budget

From Mr E. Whiting

Sir,—I find some inconsistency between Samuel Brittan's admirable article on the "Background to the UK Budget" (March 3) and the leading article of March 1 on the shadow budget published by the Alliance.

Like the Alliance, and for similar reasons, Samuel Brittan advocates reducing indirect taxes later this year and does not mention the annual cost to the exchequer. The Alliance puts the cost of the 2½ per cent cut in VAT for the six months of 1983-84 at £550m but is castigated by your leader writer for not showing the cost for the full year.

There are different costs for different purposes. Samuel Brittan and Roy Jenkins both assume that decisions can be taken more than once a year and that tax rates can be viewed on a six-month time horizon just as well as 12 months. In March 1984 there will presumably be another budget when VAT rates, for example, could be raised again. On this view the six-month cost is the most relevant.

Full-year costs are useful to show the comparative yields of different taxes, but can justifiably be "sunk" (to quote your leader) when they are projected further than necessary for this purpose.

Edwin Whiting.
University of Manchester, Booth Street West, Manchester.

Inflation

From Mr C. Carlyle.

Sir,—One small point of interest stemming from the decline in inflation is the "real" income return which has just been bestowed upon equity investment. For the first time since early 1968, the yield on the All-Share Index, at 5.0 per cent, is greater than the year-on-year increase (4.9 per cent in January 1983) in the retail price index, the prospect for which is a fall to under 4½ per cent within the next month or two. Since the spring of 1975 the yield basis on equities has strayed little outside the 5-7 per cent range while the rate of inflation has undergone several major sweeps: down from 25 per cent to 7 per cent in mid-1978 and back up to 22 per cent two years later before embarking upon its current sustained descent.

This could suggest that investors largely ignore the actual rate of inflation and are contented by the fact that, in the long run, the growth in company dividends tends to be only a little way behind it. This, however, has not prevented the equity market from falling (to give a rising yield basis) during at least the initial months of every upswing in inflation over the past 15 years.

It remains to be seen whether this pattern is repeated in 1983 if the inflation rate turns up again — a level of 8 per cent is being suggested—by the end of the year. Assuming a Conservative victory in a General Election and hence renewed and successful efforts to suppress inflation, then longer-term investors may need to decide whether the "higher quality" of dividend growth and perhaps its ability to match or even exceed low inflation will allow the restoration of a more substantial gap between equity yields and inflation.

If this is not the case, then capital values rising only at a low rate of inflation will make for a pretty unexciting equity market, from the current base, in the years ahead!

C. J. Carlyle.
22, Central Park, Halifax, West Yorkshire.

Mail

From Mr M Goldman

Sir,—There is a third possibility offered by our two-tier postal system in addition to those mentioned by the Post Office board member for mails network and development (March 7). This is payment at first class rate followed by second class delivery. Every working day a meter-stamped manila envelope big enough to contain flat A4 sheets is posted to me in London SE3 from London WC2: two or three times each week it arrives the next day and two or three times each week it takes two days or even longer. In its October 1980 report the Post Office Users National Council stated its belief that "it would be in the Post Office's best interests to publicise the fact" that letter packets under-perform letters. Why does it not do so?

As far as the Post Office's "contribution to the fight against inflation" is concerned, retail prices in general have risen about six-fold over the past twenty years while postage charges have risen about twelve-fold—and most aspects of the service have got worse.

Michael Goldman,
1 Lyndale Close, SE3.

Title

From Mr P. Martin

Sir,—Mr Tony Richmond's comments (March 5) are in my experience symptomatic of receivers' attitudes to trade creditors in general, and explain why so many suppliers have incorporated retention of title clauses into their terms and conditions of sale.

I suggest that trade creditors shoulder the major degree of risk in financing British industry and commerce, and not the banks, so who can blame suppliers for wanting to gain some security in these days of mounting bad debt losses?

I am sure that business in this country would be better served by the banks and trade creditors working together to save an ailing company, rather than the banks acting in isolation by appointing a Receiver under the terms of a security.

P. J. Martin.
20, Chobham Road, Knaphill, Nr. Woking, Surrey.

Disarmament

From Mr R. Bruce Lockhart.

Sir,—The Financial Times is not perhaps the appropriate arena for a protracted debate on the Campaign for Nuclear Disarmament and/or Soviet subversion methods but I really cannot let pass Ms Sandra Middleton's observations (March 5) without some comment.

One would have to be childishly naive to believe that an examination of CND's books would reveal details of direct financial support from the Soviet Government or any of its identifiable agencies. It would be naivety in the extreme on their part were the Russians thus to lay themselves wide open to outraged condemnation and so defeat their own ends.

Political warfare is both "overt" and "covert" and Soviet subversive efforts through the so-called "peace" and allied movements such as CND are decidedly covert and have the objective of uncoupling us from our allies.

I am sure that great many supporters of CND genuinely believe in the worthiness of their cause, but it is essential that they be made aware of the extent to which they are the unwitting puppets of their Soviet manipulators. The latest Russian success—and one to which CND has clearly contributed—is the news that unilateral disarmament is to be a plank in the Labour Party's next manifesto.

Robin Bruce Lockhart.
37, Adelaide Crescent, Hove, Sussex.

CND

From Mr J. Minnion

Sir,—Thank you for the article on the Campaign for Nuclear Disarmament (March 2) by Ian Hargreaves. Though I might disagree with some interpretations, particularly when it is implied that there is some kind of rift between European Nuclear Disarmament and CND, I found the tone constructive and open-minded.

There is, however, one point which I must correct. Ian Hargreaves describes the new book edited by Philip Bolsover and myself as an "official history" of CND. This is not the case and we are most careful to make this clear in the preface. We would like ~~to feel that the book~~ is the most representative account of CND to date. I am not simply making a point about the book but about CND; it is not the sort of movement that lends itself to "official histories."

J. L. Minnion.
6a, Noel Street, W1.

Women

From Dr A. Sassoon.

Sir,—Sharing fully the feelings of the letters (March 3 and 5) objecting to an article which I can only hope is an aberration, "The other women in your husband's life," (February 26), I realised that the woman sitting next to me as we half watched our daughters at their weekly swimming lesson was reading the FT, too.

But, then, why be surprised? She works from home via a computer linkup to the commodities markets plus taking care of her husband and three children. And I regularly cite articles in the FT to my British politics students at Kingston Polytechnic where I lecture. And have you noticed the number of letters about CND from women?

We might still be able to talk about "economic man," but we also have to recognise twentieth century "Renaissance woman."

(Dr and Mrs) Anne Showstack Sassoon.
90 Rodenhurst Road, SW4.

Reuters

From the Managing Director and Chief Executive, Reuters

Sir,—On March 9 you quote Mr Ian Irvine, managing director of Fleet Holding, as saying that if Reuters "wants to compete internationally it is going to have to establish a much broader base for raising finance." Reuters has been competing internationally successfully for 132 years. Its information services go to 158 countries and over 80 per cent of its revenue is earned outside the UK. It is financing its heavy capital investment programme entirely from its own resources and still has surplus cash balances.

Glen Renfrew.
85, Fleet Street, EC4.

Jason Crisp in London and **Jurek Martin** in Tokyo chart the strategy in fighting Japan's dominance in the copier market

The Xerox empire strikes back

LAST week the Lyric Theatre in London's Shaftesbury Avenue reverberated to a spectacular audio-visual show complete with flashing lights, powerful music and swirling stage smoke. The audience had come from all over Europe.

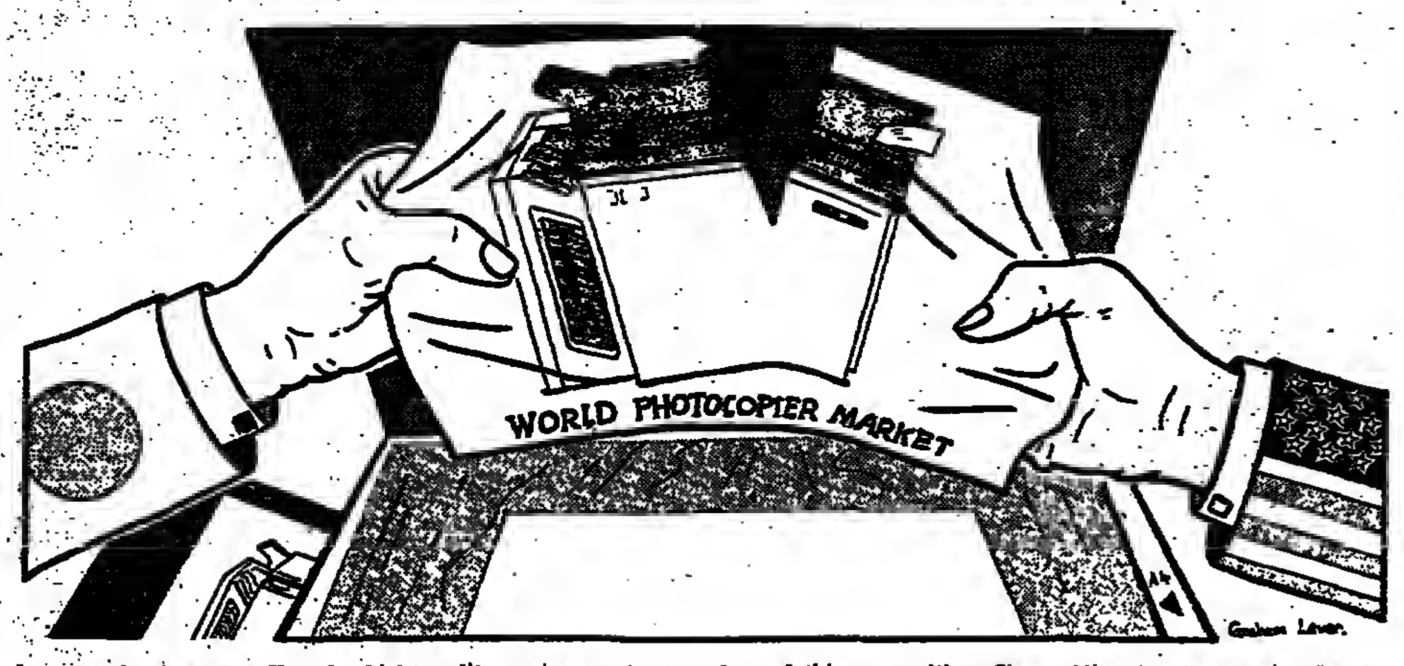
Even cynical City analysts caught themselves clapping the "stars" of the show . . . a new range of photocopiers from Rank Xerox. "It was an astounding performance: a major piece of entertainment," enthused one.

The extravaganza—which will cost well over £500,000—heralds the beginning in Europe of a new round in the deadly fierce battle between the Xerox empire and Japan for dominance of the world's copier market worth over $22bn last year.

Xerox, Rank Xerox and Fuji Xerox are now embarked on their most aggressive counter-attack on the Japanese competition which includes such names as Canon, Ricoh, Sharp and Minolta. Xerox' "10 Series" is aimed directly at the toughest and most competitive sector of the market—for low and medium speed machines—where the Japanese have made such progress.

The offensive begins at a critical time for the world copier industry. Even the Japanese companies which have made so much ground in the business are now suffering from savage price reductions, cut-throat competition, imbalanced inventories and reduced profit margins, which have been exacerbated by the recession.

In the past 10 years Japanese companies have become a major force in large sections of the copier market with over 80 per cent of total unit sales. (But by revenues earned from copying Xerox still has nearly half the world market). The Japanese have eroded Xerox's dominance and forced many Europeans and U.S. companies to give up manufacturing altogether. Many are now reduced to selling Japanese-made copiers carrying their names.



As they did with cars, motorcycles and consumer electronics the Japanese began by making the cheapest and most basic machines and then progressively moved up market aiming all the time for high volume at the lowest possible costs. It is a strategy which has, at least until now, given them the edge in the ferocious price war.

Market share is critically important in order to keep the volumes needed to achieve the necessary economies of scale. So far the Japanese have largely kept out of the top end of the market for machines such as those which can produce 120 high quality copies a minute.

Ms Monica Camahort, manager for copying and duplicating industry service at Dataquest in California believed that it "is now impossible for any U.S. or European company to compete with the Japanese for the lower end of copiers."

"The Japanese have relied heavily from the start on automated manufacturing systems and more recently on robots. "The most important difference," says Ms Camahort "is the manufacturing infrastructure and the relationship the companies have with their suppliers. The quality of incoming parts and components are very high and the companies can operate on absolute minimum inventory levels."

Xerox itself has been forced to make substantial improvements in productivity in the face of this competition. Since the middle of 1981 it has cut its workforce by 12,000 or 10 per cent. And Rank Xerox which is responsible for the world minus North America and Japan recently reported an improvement in manufacturing productivity of 20 per cent a year over tha past three years. Even so it is still not as efficient as its Japanese partner Fuji Xerox.

At least Xerox is still making a complete range of copiers. Companies which are getting out of the manufacture of the lower range of copiers include 3M, Nasbua and Saxon in tha U.S. and Gestetner and Olympia in Europe.

Many other companies now supply Japanese-made machines including Agfa, Nashua, and 3M. Copiers made by Mita can be bought at Imperial Olivetti, Gestetner, Copyfax, Kardex and just plain Mita.

Most Japanese international sales are on this "original equipment manufacturer" (OEM) basis although both Canon and Sharp have a strong presence in the U.S. and Europe in their own right. With the notable exception of Ricoh, which has 40 per cent of the Japanese domestic market, most companies in Japan have relied heavily on international markets where profit margins are traditionally higher.

In Japan itself the going is much tougher. Ricoh's profit margin for example is now less than 4 per cent. The Japanese copier market is still notable for its reliance on door to door selling and considerable personal after-sales service. These high fixed costs combined with price cutting have severely reduced profit margins.

In its fight back Xerox has set *out to beat* the *Japanese on* their own ground. The 10 Series is being launched throughout the Xerox companies. The range of new machines has been developed in eight different locations in the U.S., Japan and Europe at a cost of well over $500m. It will replace 93 per cent of the company's existing copiers and represents its biggest-ever new product launch. *Only its very profitable* and *high* revenue-earning top range machines are not affected.

"It is a significant breakthrough. The copiers are much more sophisticated with a considerable use of microelectronics and have a much better copy quality. Most important of all, they are significantly more reliable and have been designed to be easier to make and service," says Mr Paul Allaire, the urbane 44-year-old American managing director of Rank Xerox.

The steadily falling price of copiers has also concentrated the company's attention on the cost of its large direct sales force. For machines at the lower end of the market the cost of distribution is now considerably more than the cost of manufacture. So in the past three years Xerox—both in the U.S. and in Europe — has experimented with new ways of selling. These includa establishing retail outlets (Xerox stores), telephone selling, part-time sales staff, warehouse sales and even dealerships.

But these new distribution methods are still in their infancy—so far less than 10 per cent of Rank Xerox sales are made outside the direct sales force. "I would expect that to grow as we become more confident," says Mr Allaire.

By contrast most Japanese companies sell through "original equipment manufacturers" and dealerships, which have given them significantly lower overheads. But the relentless fall in prices has squeezed dealers' margins.

COPIER PLACEMENTS

(Gross sales and net rental additions in '000s)

	1981	1982	1983
North American	517	579	702
Europe	440	485	572
Japan	320	352	422
Rest of World	144	166	198
Total	1,421	1,582	1,894

REVENUES

(Including copier sales/rental, supplies and service) ($bn)

1977	1982	1987 (est.)
8.7	22.8	49.6

Source: Dataquest

Canon, which has the most effective dealer network of the Japanese companies, has already begun to change its distribution structure. Canon copiers will be sold in the U.S. through department stores, supermarkets, mail order and telephone selling in addition to its normal channels.

After distribution, the next biggest cost in servicing. Here, too, Canon is moving swiftly with the recent introduction of a line of low-priced mini-copiers with a disposable cartridge containing a substantial part of the basic mechanism including the photo sensitive drum and toner.

Meanwhile tha fall in prices at the lower end of the market is beginning to hit Xerox where it really hurts—at the most profitable high cost end.

According to consultants IDC Europa these lower prices are altering the economics of centralised high volume copying in offices in favour of wider use of lower speed machines. IDC predicts a continued strong growth in the European market for low speed copiers of between 15 and 20 per cent a year. And it foresees little or no growth at the top end of the market.

In the U.S. Xerox has already embarked on a strong effort to prevent further threats to the top of its range when the challenge comes from IBM and Kodak than from the Japanese. The top of the 10 Series range has been available in the *U.S. since last autumn.* Mr Eugene Glazer, vice-president of research at Dean Witter says, "The 1075 is doing very well in the U.S. and Xerox intends to get more aggressive on price because of the good acceptance. It appears to be willing to accept a negative impact on earnings in order to forestall incursions into this sector."

It may be that the downward trend in prices is now beginning to moderate. But the squeeze is still very fierce. Copiers are becoming an everyday product and success will go only to those who can make and sell them at the lowest possible cost.

Weekend Brief

Selling off the last of the few

Flying a light aircraft over Oxford, I happened to have my radio on the London Information frequency. I heard the controller call up another aircraft approaching Lympne and warn him that a Spitfire was losing height at 11 o'clock in front of him as it prepared to land.

"My God, did you say a Spitfire?" the other pilot asked, awestruck. Like me, he probably had a brief mental image of the days when it rained Messerschmitts on the sunlit Kent fields.

That particular Spitfire was the Mark IX with the AGS squadron letters so familiar to air show crowds, and which has belonged to Adrian Swire for the last 15 lucky years.

It comes up for sale along with 40 other aircraft, including two other Spits, at Duxford on April 14. Christies, whose aircraft auctioneer, the Hon. Patrick Lindsay, himself owns a superb Mark I Spitfire, might not care to guess the likely price, but knowledgeable vintage aircraft men think that £250,000 is possible.

R. J. Mitchell's exquisitely sculptured fighter dwarfs all other World War Two aircraft in romantic appeal and in economic value. Each Mark IX, of which 5,665 were made, cost the RAF about £7,000 in 1942, and now 41 years later in our devalued currency it is worth 50 times what it was then.

The remarkable thing is that the original airframe, put together by semi-skilled labour in the shadow factories, was rated for only a few hundred hours of combat flying, but here are the last of the few still delighting crowds and pilots nearly half a century and thousands of strenuous loops later. AGS, in fact, had two wartime combat kills to its credit.

There is still a fortune in Spitfires scattered across the globe. It is pretty scandalous, really, that dozens of them still stand guard outside RAF stations such as Northolt, Benson and Uxbridge. Years ago I even tried to buy one of them to restore, and was rejected with contumely.

Some of them could probably be persuaded to fly still, provided the great-hearted Merlins have been left in them. After all, in South Africa a playground wreck was re-equipped with a tail from a museum, its wheels back off a concrete mixer, and its engine retrieved from a dentist's boat. And it flew beautifully.

Although the ranks of the great fighter pilots such as Sir Douglas Bader are now thinning, a number of younger experts have now grown up. One such is Tony Bianchi, already a legend at 36. You may have seen him on full zoom television, bringing a Spitfire screaming at 30 feet over the Round Tower at

Spitfires: now worth £250,000

Rolls Royce cars that had collected there on a day in Jubilee Year.

He not only flies the aircraft, he knows every nut and bolt on them, and is rebuilding half a million pounds worth—ie, two—for clients in a hangar at Wycombe Air Park.

One has a remarkable history: it was brought back from America as a training two-seater, and has now been converted back to its original mono configuration. The owner, a company's chief executive who will use it for international commuting, got the precious replacement cowling as a present from a French fighter squadron, who had it on their mess wall for 40 years.

The other aircraft took a static part in the Battle of Britain film, having been damaged in a belly-landing just after the war.

Sit down you're rockin' the boat

Supporters of the Boat Race breathed a distinct sigh of relief following Thursday's announcement by Simon Harris, the Cambridge president, that his men would, after all, meet the dark blues at Putney on April 2, whatever the composition of the Oxford crew.

After a week of highly charged meetings in which both sides seemed to become more entrenched and from which neither emerged with much credit, Cambridge is now inviting the dark blues to dinner for an amicable chat.

Simon Harris, the Cambridge president, claims the withdrawal of his threat not to row represented no climb down, but rather a recognition that the boat race—as an important advertisement for the sport of rowing—was more important than those taking part in it, however serious their qualms.

Indeed, it was in this spirit that Rankov offered to resign last week.

Cambridge raised the com- fairly add to Oxford's speed, but because they were concerned that the standard of competition was at risk, explains Harris.

He points out that it is far more important for the event to provide a good race between student crews of comparable standard than to attract top *internationals, whether they be* equally or unequally shared between the two sides.

"To be honest," he says, "Rankov is just the tip of the iceberg. The average age of that crew is 25; ours is 21. And experience matters in rowing."

Harris adds: "It has never been our intention to do the boat race any damage. The problem is that Oxford never believed it would come to this—which is why it did come to this."

The seeds of the dispute were sown in 1975 when a rule restricting participation to those *in statu pupillari* and within six years after matriculation was altered by agreement between both sides to remove the time limit. All that was necessary was to be *in statu pupillari* — and the new rules did not defino the meaning of that very precisely.

Cambridge argua that Rankov ceased to be *in statu pupillari* when he took his MA in August 1980 and went on to become a salaried fellow of St Hugh's. Oxford argue that Rankov is a student under the Boat Race chartar because he does not complete his doctoral thesis in Roman Archaelogy until later this year. Cambridge claims to have rulings from Oxford proctors than Rankov is a senior member and not a student under university rules.

The light blues have pressed their case with Oxford consistently for the past two years and only continued to row because it seemed inconceivable to them that Rankov would compete again.

Clearly, Ladbrokes, who have sponsored the race to the tune of £225,000 over the last seven years, are glad to see the dispute settled — if only temporarily. At least, sighs Mr John Harounoff, Ladbroke's head of marketing services, "it has made a lot more people

Desperate measures for London's theatre

The West End theatre is up for grabs. It is not just the struggle to keep playhouses open, but also the challenge to customers posed by TV, films and video, that is increasingly exercising the wits of London theatre owners and producers.

Desperate times call for desperate measures. Accordingly, the Piccadilly Theatre has been converted to a dinner-theatre nightclub with tables, waiters and a long mirrored bar in the stalls. The attraction, opening next week, is a 90-minute cabaret called *i* starring a 23-year-old Italian exotic zany, Arturo Brachetti. A graduate of the Paradis Latin in Paris, Brachetti, who hails from Turin and who was sent by his father at the age of 11 to study for the priesthood with the Salesian Brothers, is the constant chameleon among a cast of 18, 200 costumes, 15 sets and a dwarf.

The investment in the show is entirely French. £1.5m has been raised by the film producer Vladimir Forgency and a rich young Parisienne Caroline Roboh. Through the good offices of the clubbable farmer David Astor (son of the former newspaper proprietor), the project has been realised by London producer Michael White and theatre owner Ian Albery. £0.5m has been spent on the Piccadilly Theatre conversion (which is not irreversible), the *rest* on the *show.*

For £25, a customer can eat a good, basic meal (smoked salmon, roast beef, that kind of thing, says Astor), see the show which starts at 9.15 each evening, dance to a live band afterwards and buy drinks from the bar between 7.30 pm and 2 am.

Conscious of the fact that glitterati and trend-spotters can only flock for so long, David Astor points out that less privileged punters can gain access to *i* alone for as little £3.50. They will be seated in the Grand Circle. (Just below, in the Royal Circle, tickets cost £15 and £12, with extra charges for food and drink and little elbow tables to accommodate comestibles.)

Whether or not Arturo Brachetti proves to be some magical amalgam of Lindsay Kemp, Marcel Marceau and David Bowie remains to be seen. He certainly poses a studiously sybaritic alternative to Wayne Sleep at the Apollo Victoria. There are songs and a faint hint of libretto between the costume *changes.* Derek Deane and Graham Fletcher of the Royal Ballet have been persuade to choreograph dance numbers ranging from classical to jazz.

David Astor is vague about where the French money has actually come from, but he says that there are several heavily committed individual backers, or "angels," and that the bank here is satisfied. So he knows which bank he uses, but not whose money. The speed with which the investment is recouped depends on how much, and how quickly, customers drink.

Contributors:
David Moreau
William Dawkins

Economic Diary

TOMORROW: Final day of the Scottish conference of the Labour Party in Perth. Second round of the French municipal elections.

MONDAY: Department of Trade issues provisional retail sales figures for February. Mr Francis Pym, Foreign Secretary, attends EEC Foreign Ministers meeting in Brussels to ensure Britain receives its £490m EEC budget rebate by the end of the month. EEC Agriculture Council meets in Brussels (until March 15). Mr Patrick Jenkin, Industry Secretary, opens exhibition of design work by students at the Design Centre, Haymarket. Full International Cocoa Agreement Council meeting (until March 25).

TUESDAY: Budget Day. Central Statistical Office issues provisional index of industrial production in January. Department of the Environment publishes figures for construction output in the fourth quarter. Industrial Society hold conference on "Making provision for ethnic minorities at work" at Carlton House Terrace, SW1.

WEDNESDAY: Department of Employment issues indices of average earnings in January and basic rates of wages for February. Mrs. Margaret Thatcher presents small firms export awards at Savoy Hotel, WC1. British Overseas Trade Board publishes annual report. Start of Commons debate on the Budget (until March 21). CBI monthly council meeting. Institute of Credit Management hold annual conference at Hilton Hotel, W1.

THURSDAY: Central Statistical Office gives cyclical indicators for the UK economy in February. Bank of England issues figures for UK banks' assets and liabilities and the money stock and London dollar and sterling certificates of deposits for mid-February. The Bank of England Bulletin is published with statistics for the UK banking sector (fourth quarter), money stock (fourth quarter) and financing of the Central Government borrowing requirement in the fourth quarter.

FRIDAY: Department of Employment issues retail prices index for February. Central Statistical Office gives tax and price index for February. British Shipbuilders reply to union's pay claim. Arab League delegation expected in London to meet Mrs Margaret Thatcher and Mr Francis Pym.

UK COMPANY NEWS

BIDS AND DEALS

Yarrow lower despite big gains on securities

PRE-TAX profits at Yarrow, the engineering consultancy and transaction process engineer, were down from £787,000 to £535,000 in the half-year to December 31, 1982. During the period, the pareot company took advantage of markel conditions to realise a substantial gain on its holdings of Government securities. This is included in the pre-tax profits, and the directors say the proceeds have been re-invested.

These investments, they add, represent finance available as required for further development of the group and its operating subsidiaries.

Group turnover was down from £10.13m to £9.54m. After tax, well down at £33,000 compared with £208,000, attributable profits were lower at £502,000 (£576,000). Stated earnings per 50p share were 12.6p against 14.4p, but the interim dividend is unchanged at 2.5p net — last year's total was 9p from pre-tax profits of £656,000.

The board remains confident of the group's prospects and believes thet its business otrategy, founded on electronics systems and transaction process enginering, together with engineering consultancy, will secure a soundly-based future.

In the meantime, the directors say the group's subsidiaries continue to feel the severe effect of the economic recession. The performance of YARD was broadly comparable with that of the corresponding period last year.

Control systems has produced "disappointing" first half results, but is forecasting an improved second half and should produce reasonable profits, under present trading conditions, for the year.

Automatic Revenue Controls has experienced great difficulty in achieving a satisfactory level of business, resulting in a significant trading loss foc the half-year. The directors say that, despite signs of improvement, further losses will be incurred in the second half.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Alliance Trust	8.55	Apr 22	8	12.3	11.25
Channel Islands Tst	40	Apr 21	40	40	40
T. Clarke	1.26	May 7	1.12	1.93	1.75
James Fisher	1.5	May 24	1.5	2.83	2.65
Metamec Jentique ...int	nil	—	0.5	—	0.5
New Equipment	0.8	—	0.7	1.15	1.05
Shetdon Jones‡ ...int	1.35	Apr 21	1.25	—	3.9
Yarrow ...int	2.5	—	2.5	—	9

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM Stock.

Aidcom calls for injection to push on with growth

A CASH call worth £1.54m has been launched by Aidcom International, the market research, microtechnology and design company, only two weeks after it announced greatly increased pre-tax profits of £364,000. The call is through a rights issue on the basis of one new share priced at 73p for every five old shares, raising £1.4m after expenses.

Proceeds will be used principally to finance further growth. "The substantial growth to date has been funded from cash resources and borrowings, but future growth requires more permanent capital," the company explains.

On the question of further expansion the company now says that "a number of opportunities are being actively investigated both in the UK and the U.S. The policy of acquiring controlling shareholdings in smaller businesses which offer complementary services will also be continued."

Mr Monty White, Aidcom's finance director, said yesterday: "We need a lot more working capital because of our explosive growth in turnover. Mr Neil McClure of Phillips and Drew, the underwriters to the issue, pointed out "the rights issue was necessary because the size of future deals made by Aidcom could otherwise put an undue strain on a company with a relatively small asset base."

The directors and thair families who hold 31.5 per cent of the equity, do not have the financial resources to take up their entire holdings, but intend to sell such part of their entitlement, nil paid, as will allow them to take up the balance. Mr White said "the directors will not get a net cheque out of this."

Dealings are expected to begin, nil paid on March 17, and April 12 is the last date for acceptance and payment in full.

● comment

Suddenly the USM is using paper. Yesterday four USM companies did it with Aidcom International first into the breach. There was always the prospect of a rush like this, considering the inflated nature of many USM share prices, and Aidcom's shares have recently been trading at stratospheric levels. Given Aidcom's interests in market research it is tempting to see them as a kind of mini AGB Research; that is, a company which launches rights issues on a regular basis, not out of opportunism but to expand with the greatest possible rapidity in a fast moving industry. Last year Aidcom produced a 160 per cent increase in profits to £364,000, but what really impressed was the way in which margins improved at the same time. This year Aidcom is set to make about £600,000. That, combined with the 23 per cent discount represented in the offer prire seems to have done the trick as far as the market is concerned. The shares did not budge from 95p all day. At that price the prospective fully diluted ex rights PE is about 37, which is a graphic illustration of the market's faith that Aidcom's future expansion programme will display spot-on judgment.

Michael Cassell looks at Trust Securities' approach to Percy Bilton

High-flying property group in hurry

Trust Securities has all the characteristics of a high-flying property group in a hurry, and a successful reverse into the much bigger Percy Bilton group would provide a major boost to its ambitions.

Headed by Mr Peter Jones, a former estate agent and one-time joint managing director of Compass Securities, Trust Securities started life in 1976, the year in which Mr Bryn Turner-Samuels stepped down as managing director of Bilton and in which the group's progress began to falter.

By 1980, Mr Jones and his team—average age now 37—brought the company to the Unlisted Securities Market and a little over 18 months later obtained a full Stock Exchange listing.

Trust Securities has made no secret of its plans to develop into one of the larger property development and investment groups, and any interest it might have had in acquiring Percy Bilton took on an added urgency on the death of its founder last Christmas.

Percy Bilton started out as a builder in 1928 and by 1939 his extensive house building and industrial development operations were collected together under the company which carried his name. The company went public in 1972 and as founder, managing director (until 1978) and chairman, Mr Bilton exercised a singularly influential role over its affairs.

The appeal to a group like Bilton to Trust Securities, and possibly to other potential participants in any battle for control, is the group's extensive property investment portfolio which includes around 7½m sq ft of industrial space and substantial land bank for development. An independent valuation exercise in 1979 put the portfolio at just over £118m and the first professional valuation since 1971 is now underway.

Judging by last night's abrupt dismissal of the Trust Securities' approach, concentrating as much on the nature of the cheeky suitor as on the terms of the offer, Bilton believes it is well placed to look after its own business and will make much of its recent revival in pre-tax profits and the substantial reversionary element contained in its portfolio, now working through.

In response, Trust Securities says new management would revive a badly sagging performance and, together, its skills and Bilton's solid asset base would create a combined group with considerable financial muscle. There would, it pledges, be no question of breaking up the housebuilding and civil engineering activities, which it says are capably run by existing middle management.

As for Mr Jones' own company, its chief claim to fame so far is the Stockley Park project, involving plans to develop a 75 acre commercial complex in 325 acres of parkland close to Heathrow Airport.

First phase of the scheme, likely to cost £50m, is being funded by the Universities Superannuation Scheme and two weeks ago the Department of the Environment said it would not be calling in the planning applications involved. These now revert to Hillingdon Council and, as the council is a partner with Trust Securities in the scheme, a start is confidently predicted for June 1984.

Though by far the largest project the group has so far contemplated—a "Bilton Trust" group would presumably allow more—it is typical of its approach to development. The group aims to limit its financial exposure by forward funding with pension funds, profits representing the difference between the price at which the funds agree to buy and the cost of site, construction and interest charged by the investor on construction money lent to Trust Securities.

Away from Stockley Park, the group is currently engaged in a variety of industrial and office development schemes, stretching from Croydon, Plymouth and Sutton to the Trafford Park enterprise zone in Manchester.

Much of Trust Securities's worth is predicated on a successful outcome to the Stockley Park venture, very much a possibility but still some considerable way off.

It is a consideration which will not have escaped Bilton shareholders, among which the family interests (holding over 42 per cent between them when the Percy Bilton Charity is included) will hold the key. Though the board has given Mr Jones short shrift, talks have already been held with members of the family and they are said to have made "encouraging" comments.

If Trust Securities should fail to put together the sort of company which it says will do a lot foc both sides, there seems little doubt that it will only be a matter of time before Mr Jones and his impatient team knocks on someone else's door.

Berkeley Hay Hill £0.75m rights

INCREASED losses and a proposed 11p one-for-three rights issue which will raise approximately £746,000 hsve been announced by property company Berkeley & Hay Hill Investments, scarcely seven months after the company joined the Unlisted Securities Market. The issue is being underwritten.

Boosted by higher profits from both hotels and property activities, group trading profit advanced to £190,300 compared with £40,700 in the previous year. But the pre-tax loss finished up close to three times higher than that recorded in 1981 at £347,600 after interest charges of £537,900 (£160,600).

The results have come at a time when the board is trying to raise additional equity capital to finance working capital and expansion plans and to reduce gearing. The directors say the expansion will be directed principally towards investment in industrial buildings and new and refurbished offices.

Berkeley and Hay Hill came to the USM in mid-August last year on an introduction sponsored by the English Association Trust and stockbrokers Capel-Cure Meyers. At that time no shares were offered for sale, but the market price has since moved from a low of 5½p to a high of 13p.

● comment

Berkeley and Hay Hill's prospectus showed the company to have made a loss of £110,000. Since then the figures have apparently been restated and the loss has grown by almost a third. Interest rates have obviously proved a major burden, but with the company's track record, one might have expected a larger discount on the issue price to the current share price. Yesterday, the share lost 1p to 12p in response to the results and the cash call. The 9 per cent discount offered on the issue prire is hardly generous. The company's pro-forma balance sheet for the year to December 1981 showed net borrowings of £3.1m, which gave gearing of around 100 per cent. The proceeds of the rights issue will strengthen the balanre sheet and help to alleviate the heavy interest drag on profit. But some real evidence of an improvement in the trading performance will be needed to justify the issue.

Westminster Prop. faced with suspension over Raper nominees

BY DAVID DODWELL

THE Stock Exchange Takeover Panel yesterday threatened to suspend the listing of Westminster Property Group if nominations made by St Piran, the mining and building group which is part of Mr Jim Raper's master company, Gasco Investments of Hong Kong, for representation on the board are put at the company's annual meeting next week.

The Panel announced that St Piran had proposed five nominees less than six days before the annual meeting, and in defiance of Westminster's declaration just two weeks ago that it "has no intention of inviting Mr Raper or any nominee of his oc of St Piran's" to become a director.

The Panel insists that the annual meeting must be postponed so that shareholders have an opportunity to learn about the St Piran nominations.

It adds: "The Council will consider suspending the listing of Westminster Property Group if resolutions relating to the election of any of the five persons named are put to the meeting on March 16, and, as a result of any of them being elected, the council conclude that Westminster has come under the ultimate legal control of Gasco and Mc Raper.

The five people nominated by St Piran are Mr Don Smith, chairman of Milbury, which is 86 per cent-owned by St Piran, Mr Jim Raper, Mc David Brierley, a director of Milbury, Mr Malcolm Stone, chairman of St Piran, and Mr William Allen, a director of St Piran.

St Piran acquired a 23.61 per cent stake in Westminster in early February. Early this month it mounted a successful tender offer for a further 2.38 per cent, taking St Piran's total holding up to 29.99 per cent.

At the time of the tender, Mc Patrick Ravenhill, Westminster chairman, warned: "Shareholders should be aware that Mr Raper has been criticised by the Takeover Panel as a person unfit to be a director of a public company."

After this criticism in June 1980, the panel prohibited stock exhange members from transacting any further business with or foc Mc Raper "either directly or indirectly."

Suter finally disposes of Prestcold

By Charles Batchelor

Suter, the Grantham-based refrigeration and air-conditioning group, has finally disposed of its loss-making Prestcold refrigeration contracting division.

Suter's shares rose 5p to 58p yesterday to put a market valuation of £7.86m on the company.

Prestcold Refrigeration Company (PRC) will be sold to W. H. O'Gorman Holdings, a subsidiary of the privately-owned Riordan International, for its net asset value at December 31 1982 — an estimated £1m, according to Mr David Abell, Sutec chairman.

PRC is the contracting division of Suter and designs, instals and services commercial and light industrial refrigeration equipment through a network of 24 branches, employing 600 people and with 1982 sales of £21m.

This purchase will double turnovec of O'Gormans, which already has significant refrigeration activities. Tha company is based in Harlesden, West London. A new subsidiary, O'Gorman Prestcold, will be formed to acquire PRC.

The sale of PRC ends a long-standing conflict of interest at Suter, which also supplies its refrigeration systems to other contractors, said Mr Abell. It will also rid Sutec of losses which were more than £1m at the trading level in 1982.

Suter tried last year to sell PRC to its managing director, Mr John Brooks, but he was unable to raise the finance and subsequently left the company.

Suter plans to announce within a matter of weeks the acquisition of a British company which will increase its refrigeration manufacturing capacity.

Garfunkels seeking £795,000

BY CLIVE WOLMAN

LONDON'S West End restaurant chain, Garfunkels, is serving up to its shareholders an additional slice of equity only four months after the family company was launched on the Unlisted Securities Market.

But the response of investors yesterday suggested a mild bout of indigestion. Despite the 10.5 per cent discount in the price of the new shares to be issued on a 1-for-5 basis, the company share price remained unchanged at 114p.

The proceeds of the £795,000 rights issue will be used to expand the 12-strong chain by the addition of three more Garfunkels restaurants and a steak-house in the West End. The total cost of acquiring the leaseholds and refurbishing these sites is estimated to be £830,000.

Garfunkel chairman Mr Phillip Kaye and his brother and joint managing director, Reginald, will be returning to the Leicester Square steak-house they once owned in the early '70s as part of their Golden Egg restaurant chain. They subsequently sold this to EMI. "It will be more of an up-market restaurant than the others," said Mr Kaye.

The other restaurants to be opened, in Regent Street, Victoria Street and Sherwood Street, are aimed at Garfunkel's traditional clientele of families on evening or weekend outings, with an average meal price of about £4 per head. A total of 90 new staff are to be recruited.

The directors and their families are to take up a less than proportionate share of the new issue. But they will continue to hold 55 per cent of the equity of the company. The issue has been underwritten.

The directors have estimated on the basis of their management accounts that the pre-tax profits for 1982 were at least £320,000. This contrasts with the forecast of a minimum of £285,000 made when Garfunkels came to the USM in November. The company stockbrokers Capel-Cure Myers provisionally forecasts that this year Garfunkels will make £650,000 pre-tax.

The share price yesterday was thus 16.2 times the prospective earnings when fully taxed after allowing for the dilution. The 1.86p net dividend forecast foc 1983 gives a yield of 2.4 per cent.

The February balance sheet shows that Garfunkels had zero net borrowings. When asked why he had chosen to finance the acquisitions by diluting his company's equity rather than by gearing up, Mr Kaye replied: "I don't like borrowings. I want to stay ahead while we can."

SHARE STAKES

The City of Aberdeen Land Association—Mc Michael A. Ratcliffe, a directoc, on behalf of spouse, has acquired 30,358 ordinary shares increasing holding to 99,342 (6 per cent).

Cambrian and General Securities—The Hon E. D. G. Davies, a director, has sold 225,000 ordinary shares reducing holding to 23,760 shares.

Hellical Bar—Mr R. J. C. Hill, a directoc, has purchased 71,000 ordinary shares. Mr S. J. Murphy, a director, has purchased 58,000 ordinary shares. Mr R. A. Thomas, a director, has purchased 10,000 ordinary shares. Mr L. C. K. Kelly, a director, has an interest in 71,000 ordinary shares.

Manders (Holdings)—British Land's wholly owned subsidiary Real Property and Finanre Corporation, has disposed of its entire holding of ordinary having previously held in excess of 5 per cent.

Anderson Strathclyde — The Central Mining and Investment Corporation, a wholly owned subsidiary of Charter Consolidated Holdings, purchased 275,00 shares at 196p.

Greencoat Properties—Amec a subsidiary of Fairclough Construction Group purchased a further 250,000 ordinary shares bringing its holding to 8,228,353 275,000 shares at 196p.

Martin Forx—David Berk of 46-50 Burlington Arcade, W1, has acquired 875,000 shares (5.57 per cent).

East Midland Allied Press—Mr R. J. Winfrey, managing director, as trustee, has an interest in 255,539 "A" ordinary shares and 46,240 ordinary shares. Mr F. C. Winfrey, a director, as trustee, has an interest in 255,539 "A" ordinary shares and 46,240 ordinary shares. Mr G. Russell, a director, as trustee, has a non-beneficial interest in 255,539 "A" ordinary shares and 46,240 ordinary shares.

Unilever—Guardian Royal Exchange Assurance has acquired 75,000 20 per cent third cumulative preference ordinary shares increasing holding to 217,500 ordinary shares (21.79 per cent).

Microfilm Reprographics move to cut borrowings

A PLACING of 700,000 new shares at 30p each is proposed by Microfilm Reprographics, which makes microfiche catalogues of machine parts and provides microfilming services.

The placing, to be made by the company's stockbrokers, Anderson and Co., is to reduce long-term borrowings of £441,000 incurred to purchase commercial property — originally envisaged as a tax investment — in 1981.

None of the directors will be taking up the new shares because the company wishes to broaden its shareholder base.

Slack markets and the loss of two major contracts because of price competition have contributed to a £109,920 pre-tax interim loss announced yesterday, compared with an £80,314 profit. Turnover in the six months to December 1982 declined to £540,601 from £719,668.

Mr M. J. Booth, a former director of Slater Walker, is to join the board and purchase 260,000 shares from other directors at the 30p placing price.

The directors are recommending an unchanged dividend of 1.25p and will continue to waive their rights. The company plans to sell its investment property and says reduced staffing levels and costs, combined with an upturn in trading conditions, should allow it to break even in the second half.

Oceonics makes ready for mid-year full listing

OCEONICS, the rapidly expanding marine electronics group, intends to apply to move from the USM to a full listing, probably in July. It is also making a 1-for-1 scrip issue and certain changes to the corporate structure.

With effect from April 1 1983 Oceonics is to be renamed Oceonics Group and become a holding company with three main subsidiaries. These will be called Geosite Survey Group, Oceonics Equipment Services and Geofix Data Systems.

Yesterday Oceonic's shares jumped 40p to 750p, capitalising the company at £94.5m and making it the second largest on the USM.

Oceonics finance director Mr Richard Leslie said: "A number of actual and potential investors in Oceonics expressed the view that they would be happier if we were to move to a full listing. We were becoming too weighty for some USM funds. Similarly the one-for-one capitalisation is designed to make the shares less heavy."

Mr Leslie added that directors of the company held 65 per cent of the equity, so that no share disposals would be necessary to qualify for a full listing. "We intend to apply for a full listing as soon as possible after our report and accounts for the year to March 1983, which should come out in July or August."

Results due next week

A company of the size of BP gives scope for a wide divergence of opinions, so unsurprisingly there is a very broad range of estimates of profits for 1982. Analysts' projections of net profits to be announced on Thursday range from £600m all the way to £732m. Last time BP made £1.07bn. Shell's better than expected results announced on Thursday has lifted some estimates of BP's fourth quarter figures. Stock profits for the year could be around £100m, though a stock loss is on the cards for 1983. Once again Sohio has probably contributed about 70 per cent of profits at the operating level. However, in the final quarter downstream figures should have improved, with a marked firming of prices in the European markets. An unchanged gross dividend of 29p is unanimously forecast.

Swings and roundabouts on the bad debts front mean many banking analysts are unsure which way they are facing when it comes to forecasting National Westminster's 1982 results, due on Tuesday. After a maverick net credit on bad debt account in 1981 due to a bunching of earlier recoveries, the charge shot up to £78m at the interim stage in 1982 and could reach £210m for the year. Like other banks, NatWest is likely to have made a hefty profit from dealing in gilts. The most optimistic forecasts see total pre-tax profits in the £440m-£450m range, compared with £494m in 1981. The total dividend is likely to rise to 28.5p (25.2p). The shares price has been steaming upwards, influenced by Midland's results, which were better than expected.

BTR entered the recession in 1979 with pre-tax profits of £57m. The year-end results for 1982 (due Wednesday) are expected to show almost double that figure. The company's tight financial control led to an early rationalisation programme which started in 1979 and from which BTR continued to benefit last year. Analysts are forecasting an increase in the final dividend to give 10p net for the year (8.75p), and pre-tax profits of between £105m and £110m (£90m).

The faintly optimistic note on which Guest Keen and Nettlefolds opened last year later gave way to gloom. Analysts are now predicting pre-tax profits of between £42 and £48m, when the results are announced on Thursday. The principal reason for a second-half deterioration was the sharp decline in German automotive demand, an area of operations which contributed almost 40 per cent of first-half trading profit. The UK motor component market is still under extreme pressure and the steel industry has remained depressed. Analysts expect the 8p total dividend to be maintained.

Tube Investments has been moving gradually along the recovery path. Major restructuring and redirection of the troubled cycles subsidiary, after the collapse of its major export markets, has been implemented and a strong performance from the domestic appliances side is another bright spot. The disposal in November of British Aluminium, which lost £3.7m pre-tax in the year's first half, will hardly have benefited the year-end profit figures, but the balance sheet will have been strengthened, and the sale has considerably enhanced longer-term recovery prospects. With the announcement of the results on Thursday, analysts are forecasting pre-tax profits of around £9m, with a maintained final dividend of 5p for a total of 7.5p.

The 1982 results for the industrial holding company Thomas Tilling (due on Wednesday), are expected to show a sharp down-turn from the 1981 pre-tax £73.6m. The greatest disappointment has been in the U.S. energy equipment division where interim profits fell by 22 per cent. The manufacturing division there has also experienced a downturn in demand and the exchange rate movements have worked against Tilling with its heavy dollar borrowings. Analysts are forecasting pre-tax profits of between £45m and £55m, depending partly on whether profits from gilt dealings are taken above the line. The dividend is expected to be maintained at 8p net, and would be uncovered on a CCA basis.

In spite of generally difficult trading conditions, Rowntree Mackintosh is expected to show an increase in pre-tax profits from £39.9m to between £47m and £49m for 1982. Much of the growth should be on the back of reduced interest charges following the 1981 rights issue and the first contributions from RPC, the crisps and snack manufacturer acquired in June. Exports are likely to show a boost from the weakness of sterling. In Canada, Rowntree's markets have suffered from the country's own economic difficulties. In the UK, the company suffered—like others in its sector—from a supermarket price-cutting war, but is still likely to have gained market share from Cadbury Schweppes, due to its strength in the moulded bar market.

Other results due next week include, on Monday, full year figures from Transport Development Group, and interims from Barratt Developments. On Tuesday, Brooke Bond Group will be revealing its interim outturn. Thursday has a crowded list of preliminary announcements, which will include those of Rentokil Group, United Biscuits and Steetley; also Bejam will be reporting its interim figures. Finally, on Friday, BL will be making its preliminary announcement.

Company	Announcement due	Dividend (p)* Last year Int.	Final	This year Int.
FINAL DIVIDENDS				
Anglo Nordic Holdings	Thursday	—	—	—
Arncliffe Holdings	Thursday	1.12	1.54	1.12
BL	Friday	—	—	—
British Petroleum	Thursday	8.25	14.0	8.25
Bronx Engineering Holdings	Tuesday	0.25	0.79	0.25
BTR	Wednesday	4.25	4.5	4.75
Cambridge Electronic Industries	Monday	1.25	2.75	1.5
Canning (W.)	Wednesday	1.724	2.254	0.25
Carlton Industries	Monday	2.5	5.0	1.5
Cement-Roadstone Holdings	Tuesday	2.3	3.56	2.3
City and Commercial Investment Trust	Monday	1.71	1.282	1.81
Collins (William)	Thursday	3.0	4.5	3.0
CSC Investment Trust	Monday	2.25	4.5	3.25
East Lancashire Paper Group	Thursday	1.66	1.84	1.88
Eastern Produce (Holdings)	Monday	1.4	3.22	1.4
Guest Keen and Nettlefolds	Thursday	4.0	4.0	4.0
Hewitt (J.) and Son (Fenton)	Tuesday	0.45	1.5	0.45
Home Charm	Monday	0.85	2.15	0.85
Horizon Travel	Thursday	0.575	2.425	0.8
House of Lerose	Thursday	2.0	4.8	3.0
Kode International	Tuesday	2.32	4.88	2.32
London and Manchester Group	Wednesday	3.92	7.98	4.34
Mackay (Hugh)	Wednesday	1.4	2.8	1.4
McLaughlin and Harvey	Monday	1.8	3.95	1.8
Merchants Trust	Monday	1.75	2.4	1.75
National Westminster Bank	Tuesday	9.625	15.575	10.8
Oliver (George) Footwear	Friday	1.21	4.0	1.32
Pentos	Tuesday			
Pittard Group	Thursday	1.375	2.625	1.375
Rentokil Group	Thursday	1.05	1.8	1.2
Robinson (Thomas) and Son	Thursday	0.5	2.0	—
Rowntree Mackintosh	Wednesday	2.7	5.3	2.9
Sale Tilney	Thursday	3.75	4.25	3.75
Sharpe and Fisher	Friday	0.55	1.25	0.85

Company	Announcement due	Dividend (p)* Last year Int.	Final	This year Int.
Systems Designers International	Tuesday	—	—	—
TI Group	Thursday	2.5	5.0	2.5
Thomas Tilling	Wednesday	3.5	4.5	3.5
Trade Indemnity	Tuesday	2.365	4.55	2.365
Transport Development Group	Monday	1.45	2.8	1.45
United Biscuits (Holdings)	Thursday	2.25	3.0	2.25
United States Debenture Corporation	Tuesday	2.0	3.92	2.25
Waterford Glass Group	Monday	0.6	0.911	0.6
Wolstenholme Rink	Thursday	2.5	3.75	2.5
Woodward (H.) and Son	Friday	0.5	1.7	0.5
INTERIM DIVIDENDS				
Barratt Developments	Monday	3.5	8.95	
Bejam Group	Thursday	1.25	1.5	
Brooke Bond Group	Tuesday	1.25	2.656	
Chambers and Fargus	Tuesday	0.5	1.25	
HTV Group	Thursday	4.0	7.0	
Link House Publications	Monday	3.8	8.5	
Martin (R. P.)	Thursday	3.65	7.3	
Mills and Allen International	Monday	3.0	8.0	
Mucklow (A. and J.) Group	Thursday	2.0	2.25	
Murray Glendevon Investment Trust	Monday	0.9	2.1	
Tharpe (F. W.)	Thursday	1.05	1.65	
Trafford Park Estates	Wednesday	3.0	5.25	
Victor Products	Monday	1.5	2.75	
Waring and Gillow (Holdings)	Friday	1.5	0.5	
Wolseley-Hughes	Wednesday	4.84	10.29	
INTERIM FIGURES				
Gibbs and Phoenix Gold Mining	Monday			
Goodman Brothers	Friday			
Lawtex	Wednesday			
Precious Metals Trust	Monday			
Rosehaugh	Tuesday	—	—	—
Staffordshire Potteries (Holdings)	Friday			

*Dividends are shown net pence per share and adjusted for any intervening scrip issue.

RESULTS AND ACCOUNTS IN BRIEF

CHANNEL ISLANDS AND INTERNATIONAL INVESTMENT TRUST—Dividend 40p (same) for 1982. Pre-tax net revenue £382,393 (£415,663). Tax £76,483 (£83,133). Net asset value per capital share 377.1p (312.2p).

T. CLARKE (electrical contractors)—Dividend 1.2635p (1.12p) making 1.925p (1.75p) for 1982. Turnover £15.39m (£16.43m). Pre-tax profit £711,000 (£842,000). Tax £335,030 (£216,000). Earnings per share 3.82p (4.33p).

CHRISTY BROS (mechanical and electrical engineer)—Turnover £1.42m (£1.66m) for six months to December 31 1982. Pre-tax loss £202,000 (£25,000 profit), after interest. No tax (same). Extraordinary debit £18,000 (£4,000). Loss per 25p share 10.1p (earnings 1.2p). Board states that the very poor result for the half year was mainly due to the low order input over the whole range of the company's activities for the last few months of the year to June 1982. For the whole of 1981-82 a loss of £27,000 (£149,000) was incurred. Also in November a large overseas contract was postponed indefinitely. However, in the past few months, order intake has significantly improved and providing this continues the directors say the likely result for the current half-year will show a very much smaller loss and thereafter the company should trade profitably. Despite the losses, continuing efforts on asset management have kept borrowings under control.

JAMES FISHER AND SONS (shipowner, ship and insurance broker)—Final dividend 1.5p making 2.825p for 1982 (2.65p). Group turnover £20.72m (£16.53m). After depreciation £3.81m (£2.93m), interest paid £1.56m (£1.14m), and interest received on short term investments £321,000 (£1.03m), profit is £3.75m (£3.93m) subject to tax £280,000 (£227,000). Earnings 13.22p (16.24p) on a net basis. Contribution from acquisitions pany will have to meet financing costs of recent acquisitions and new building vessels, but in long term looks forward to those benefits. Little new business about worthy of consideration, but on positive side, a full 12 months contribution will be earned from 1982 acquisitions. Subject to usual provisos board looks to future with quiet confidence.

NEW EQUIPMENT (tubular steel furniture)—Final dividend 0.8p making 1.15p year ended October 31 1982 (1.05p). Turnover £2.74m (£2.35m). Trading profit £286,853 (£202,059). Tax £143,294 (£91,806). Earnings 7.18p (5.51p) per share.

SHELDON JONES (animal feed manufacturer and agricultural merchant)—Interim dividend 1.35p year to May 31 1983 (1.25p). Turnover for half year November 30 1982 was £7.81m (£5.69m). Profit £303,000 (£296,000) subject to tax £130,000 (£127,000). Earnings 3.54p (3.3p) per share. In second half so far demand for products "well maintained."

ASSAM TRADING (HOLDINGS)—The EGM approved the name of the company to be changed to County Properties Group, and the change is expected to become effective on March 31.

METAMEC JENTIQUE (clock and furniture manufacturer)—Pre-tax loss for half-year to December 31 1982, £439,000 (£5,000) after depreciation and plant leasing charges £284,000 (£264,000) and bank interest £144,000 (£98,000). Turnover £4.82m (£5.48m). No interim dividend (0.5p). No tax (£14,000). Loss per 25p share 5.5p (0.2p). Directors say the level of loss for the six months to June 30 1982 has been substantially reduced in period to December 31. The development programme involving new technology for stock movements, is now coming on stream.

HAWKER SIDDELEY CANADA — Revenues in 1982 totalled $425.6m exceptional credit $8m). Transportation equipment sales declined substantially, while casting and forging volumes also dropped reflecting lack of demand for railcars. Mining machinery and equipment shipments rose, and auto engine components and overall business continued to improve. Fourth quarter improvement in housing starts not enough to increase demand for forestry equipment.

ROBERT H. LOWE (clothing manufacturer)—Sales to date, although marginally higher than during the same period last year, have not lived up to expectations, said the chairman at the annual meeting. He said the organisation was experiencing a settling down period during which employees would familiarise themselves with the new requirements. There was yet no sign of respite from pressure on manufacturers' margins as retailers tried to optimise volume.

ALLIANCE TRUST—Final dividend 8.55p making 12.3p net for year ended January 31 1983 (11.25p). Gross revenue £11.73m (£10.45m). Net revenue available ordinary stockholders £6.4m (£5.86m) equal to 12.7p (11.63p) per share. Asset valuation £292m (£211m) or 580.1p (400.5p) per share after prior charges at par. Overseas proportion of assets increased to 59 per cent helped by further investment in foreign equities and currencies, financed by sale of £19m of high priced UK equities.

AFRICAN CABLES (controlled by a group of British cable companies including BICC and Delta Enfield)—Pre-tax profits for six months to January 31 1983, R4m (£2.43m) (R8.5m) (£5.18m); turnover R33.4m (R48.3m). Interim dividend 8 cents (12 cents). Directors say local and foreign competition increased in the power cable market. African Cables, like other South African cable manufacturers, is obliged to buy locally-made raw materials, such as PVC and this has

bers were told at the AGM that group turnover for the first five months of the current year showed a valuable increase over the similar period last year. The medium term outlook appeared favourable said Mr H. Aran, chairman.

F AND C EUROTRUST (investment trust)—Pre-tax revenue for half-year to December 31, 1982, £3,500 (£96,000) after management expenses and interest; income £108,300 (£146,400). Tax credit £3,500 (charge £43,000). Earnings per share 0.09p (0.71p); net asset value per share 76.8p (64.2p). The company still has the major part of its equity portfolio invested in Germany and the Netherlands, where the stock market outlook is favourable. Directors say net income has been adversely affected by the temporarily increased level of effective gearing, but current estimates point to results for the year being broadly similar to those last year.

EXPRESS DAIRY PROPERTY COMPANY—Turnover for 53 weeks to October 2 1982 same to £229,000 (£248,000). Pre-tax profit £115,000 (£132,000), tax £60,000 (£54,000), extraordinary credit £10,000 (£2,000).

CAMELLIA INVESTMENTS (investment holding)—Final dividend 4p (3p) per share making 7p (6p) for 1982, turnover £1.37m (£1.96m), pre-tax profit £144,000 (£881,000), tax credit £98,000 (£45,000), earnings per share 9.05p (26.83p).

BOLTON TEXTILE MILL (textile and clothing manufacturer) — Turnover £5.6m (£5.5m) for half-year ended October 31 1982, profits £54,000 (£65,000) before tax nil (£34,000).

LADBROKE INDEX
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SUMMARY OF THE WEEK'S COMPANY NEWS

Bids and deals

The Dowable consortium, a private company set up last year and led by Mr David Wickins of British Car Auction, launched its long-mooted bid for **Cope Allman International**, the engineering, packaging and leisure group. Dowable is offering *80p per share cash for the 85 per cent of Cope Allman* it does not already own, but the £28.7m bid has been rejected as unsatisfactory not only in terms of price but also because of fears about the consortium's plans for the future of Cope Allman.

Mr Michael Ashcroft's Hawley Group, through its USM quoted subsidiary **Kean and Scott**, made an agreed share-exchange bid worth about £17m for Mr James Gulliver's **Alpine Holdings**, the double glazing and shower unit manufacturer. The terms are *thirteen Kean and Scott shares* for every five Alpine, valuing the latter at approximately 148p per share. Dealings in Alpine were suspended last week ot 97p when the company said it was planning a bid for another company. These talks were terminated when Kean and Scott made its offer. In resumed dealings, Alpine's shares moved up to 137p.

Privately-owned **Trumanns Steel**, a Manchester-based steel stockholder, made o 77p per share bid for **James Austin Steel**, another steel stockholder based in Yorkshire. Trumanns has held a 25.77 per cent stake in James Austin since 1978 and the offer values Austin at £3.47m.

Allied Irish Banks is to acquire a majority interest over the next five years in **First National Bank of Maryland** of the U.S. at an estimated cost of £99m. The Irish bank will initially make a tender offer to acquire 1.8m shares in First National at $35 per share. It will also subscribe for 800,000 *new shares at $40*, giving a total initial holding of 43.3 per cent. During the next four years, AIB will acquire an additional 1m shares at prices between 100 per cent and 115 per cent of book value per share. This would give Allied just over 50 per cent of the American bank.

C. H. Beazer increased its offer for **Second City Properties** by £2.3m to £18.1m and gained the latter's agreement. Beazer is now offering two of its own shares plus 153p cash for every nine Second City shares. Beazer already owns a 9.87 per cent stake in Second City and the new offer values each Second City share at about 77p compared with the original bid worth 69p per share.

Clyde Petroleum is to merge with **Saxon Oil** in a deal which places a value of £11.8m on Saxon. Under the merger plan, Clyde will offer 27 of its own shares for every 20 Saxon. Clyde already has a 9.98 per cent holding in Saxon.

Wolverhampton and Dudley Breweries made a £21m bid for Birmingham-based **Davenports Brewery**. WDB is offering one of its own shares plus 230p cash for every two Davenports shares. WDB already holds a 9.4 per cent stake in Davenports.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Prices in pence unless otherwise indicated.					
Aberthaw Cement	653§ §§	625	420	18.78	Blue Circle
Alpine Hldgs	151	133	87	17.4	Kean & Scott
Andrsn Strthclyde	200*	197	179	94.83	Charter Cons
Anglo Met	90●	90	80	5.31	Atlantic Met
Austin (E.)	60*	64	50	2.54	Caparo Inds
Austin (James)	77*§	84	64	3.46	Trumans Steel
Bell & Sime	160§*	165	136	0.45	Fleming (J.)
Bilton (P.)	286.5	290	262	108	Trust Sec
Cope Allman	60*§	59	58	23.7	Dowable
Crest Int	14½	12½	13	5.13	Kwit-Fit
Davenport Brwy	259§ §§	290	246	21.0	Wolv Dudley
Dollands	37½*§	95	70	0.15	A. P. Ward & N. Fetterman
Edin & Gen Ins	23½	22	13	5.12	Mills & Allen Intl
Green (R.)	135*	133	115	16.47	Throgmorton Tst
Heal	£38*	£38	£16	4.80	Habitat Mthrcare
Highams	75*	74	63	4.55	Largs
Highgate Optical	23*	66	35	0.47	Exent
Jeavons Eng	69§	72	62	3.86	Newman-Tonks
Rowan & Boden¶¶	60*	59	40	2.42	Firth (G. M.)
Saxon Oil	78½	77	66	11.8	Clyde Pet
Second City Prop	78½	75½	60	18.4	Beazer (C. H.)
Sumrie	65*§	70	70	0.95	Afcor Invs
Sykes (Henry)	37*	36	25	3.16	Alco Standard
UDS	114*	123	89	217.4	Basslshaw Invs
UDS	123	123	110	234.6	Hanson Trust

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ** Based on March 11 1983. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional. ● Loan stock alternative.

Scrip Issues

J. Bibby—One for two.
Boddington's Breweries—Two for three.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Antofagasta Hldgs	Dec	2,150	(4,290)	27.9	(45.3)	10.0	(7.0)
Ault & Wiborg	Dec	98L	(120)	—	(0.1)	1.25	(1.25)
Bairstow Eves	Dec	1,220	(897)	8.3	(4.5)	0.92	(—)
Barlow Holdings	Dec	4,070	(3,770)	5.8	(3.6)	4.0	(3.25)
Barclays Bank	Dec	495,200	(566,600)	96.7	(127.3)	22.0	(18.33)
Berisfords	Nov	806	(745)	17.4	(9.1)	4.4	(4.0)
Bibby (J.)	Jan	15,140	(12,180)	30.5	(24.2)	7.0	(5.67)
Boddingtons	Dec	8,810	(8,250)	10.8	(11.3)	4.0	(3.5)
British Vita	Dec	7,380	(7,967)	14.0	(16.5)	5.4	(5.4)
BSR	Dec	17,300L	(4,400)	—	(8.7)	—	(1.0)
Cdbry Schweppes	Dec	89,700	(80,600)	11.0	(11.3)	4.9	(4.6)
Comben Group	Dec	3,110	(4,100)	4.9	(7.1)	2.55	(2.55)
Corah	Dec	2,580	(1,630)	8.7	(5.5)	3.5	(2.8)
Farmer (S. W.)	Dec	814	(34)L	21.8	(—)	9.75	(8.17)
Invergordon Dstls	Dec	3,930	(3,810)	15.7	(17.0)	4.0	(4.0)
Johnstone's Paints	Nov	1,850	(1,620)	13.3	(8.5)	3.77	(1.77)
LASMO	Dec	123,300	(113,200)	49.4	(45.4)	11.0	(10.0)
Midland Bank	Dec	251,400	(232,200)	85.8	(75.2)	25.5	(24.0)
Moben Group	Dec	2,350b	(1,950)	4.8b	(4.2)	0.25	(—)
Mount Charlotte	Dec	1,210	(714)	3.4	(2.2)	0.89	(0.77)
Oriflame Intl	Dec	6,930‡	(5,780)‡	119¶	(118)¶	50.0¶	(21.0)¶
Phicom	Dec	914	(1,530)L	1.5	(—)	0.5	(0.3)
Phoenix Props	Sept	65L	(4)L	—	(—)	—	(—)
Provident Fincl	Dec	10,290	(10,100)	11.8	(11.9)	8.0	(7.5)
Ransomes Sims	Jan	2,050	(1,030)	30.7	(16.7)	12.0	(11.14)
R/Dutch Shell	Dec	1,990c	(1,980)c	69.2	(69.1)	21.8	(20.5)
Refuge Assurance	Dec	4,137‖	(3,609)‖	17.6	(15.4)	16.75	(14.5)
Romai Tea	June	359	(344)	55.0	(42.0)	22.5	(22.5)
Schroders	Dec	15,385a	(15,568)a	98.3	(99.5)	15.0	(13.5)
Sedgwick	Dec	72,980	(56,440)	17.5	(13.4)	7.0	(6.0)
Ultramar	Dec	104,100‖	(90,700)‖	96.4	(84.3)	15.0	(13.0)

Offers for sale, placings and introductions

Perstorp AB is seeking a quote on the London Stock Exchange via a private placing.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
AAH Holdings	Dec	5,670§	(5,540)§	2.21	(2.1)
Boulton (Wm)	Dec	341L	(381)L	—	(—)
Breville Europe	Dec	1,540	(3,070)	1.75	(—)
Clark (Matthew)	Dec	2,710d	(1,870)d	3.0	(1.0)
Cons Gold Fields	Dec	29,700	(69,700)	8.5	(8.5)
Cntntl Microwave	Dec	42	(142)	2.0	(—)
Fleet Holdings	Dec	2,470	(—)†	0.75	(—)
Hoyle (Joseph)	Sept	32L	(44)	—	(—)
Lister	Sept	319L	(9)	—	(—)
Parker Knoll	Jan	1,400	(1,150)	2.5	(2.5)
Scholes (Geo H.)	Dec	2,170	(1,270)	5.0	(4.0)
Williams Hldgs	Dec	315L	(996)L	—	(—)

(Figures in parentheses are for the corresponding period.)

* Dividends are shown net except where otherwise stated. † No comparable figure. ‡ In U.S.$. ¶ In U.S. cents. ‖ Net profits after tax. § For nine months. a Disclosed profit. b For 16 months. c Net income in £m. d For eight months. L Loss.

Rights Issues

BSR is raising £21.11m by way of a one for three rights issue at 55p per share.

Ferguson Industrial Holdings is making a rights issue on the basis of one for four at 95p per share to raise £4.99m.

W. E. Norton intends to raise £200,000 via a rights issue of 16.3m new ordinary 1p shares on the basis of four for every nine units of 5p at 1.25p each and at the same price 80 new ordinary for every nine 11 per cent convertible cumulative redeemable preference shars of £1 ach 1996-2001. Also Mr Stewart Jamieson is making a direct cash subscription for 32m new ordinary shares at 1.25p each to raise £400,000.

London and Scottish Marine Oil is makiog a one for three rights issue at 185p per share to raise £45.2m.

Whittington International Holdings is raising £2.697m by way of o rights issue on the basis of one new ordinary for each existing ordinary and for every £1 nominal of convertible loan stock at 15p per share.

LONDON TRADED OPTIONS

Option		Calls April	Calls July	Calls Oct.	Puts April	Puts July	Puts Oct.
BP (USP 320)	260	64	—	—	2	—	—
" "	280	44	—	—	5	—	—
" "	300	23	32	42	12	16	20
" "	330	8	18	24	98	30	68
" "	360	3	7	—	58	30	—
CGF (USP 487)	420	70	77	—	6	10	—
" "	460	40	37	37	12	24	32
" "	500	17	56	49	35	44	56
" "	550	8	20	60	75	77	80
" "	600	4	9	12	125	127	130
CTD (USP 95)	70	24	23	28	1½	2	3½
" "	80	15	17	10	2	4	6
" "	80	7	9	11	3	3	8
" "	100	6	5	7	8	11	13
CUA (USP 133)	120	16	16	—	3	4	—
" "	130	2	10	17	7	9	15
" "	140	2	6	10	18	12	21
" "	160	1	2	5½	36	32	39
GEC (USP 906)	180	32	68	45	2	3	2
" "	197	17	—	—	3	—	—
" "	200	—	92	32	—	12	12
" "	217	7	—	—	19	—	—
" "	220	—	14	22	—	25	32
" "	237	3	—	—	35	—	—
" "	240	—	7	—	—	40	—
" "	260	1	4	—	58	60	—
GM (USP 340)	260	91	—	—	1	—	—
" "	280	71	78	—	1	3	—
" "	300	51	58	—	2	4	—
" "	330	25	36	46	6	8	11
" "	360	0	20	27	18	20	23
" "	390	3	13	16	44	46	48
ICI (USP 392)	280	2	—	—	2	—	—
" "	300	96	106	—	2	—	—
" "	330	68	76	—	6	3	—
" "	360	40	50	62	4	9	12
" "	390	13	32	42	13	18	22
" "	420	6	16	22	30	34	68
LS (USP 315)	240	2	—	—	1	—	—
" "	260	58	63	70	1	3	—
" "	280	38	44	52	3	6	10
" "	600	19	27	38	6	10	15
" "	330	3	14	21	10	25	26
M & S (USP 199)	160	42	—	—	1½	—	—
" "	180	23	30	36	6	6	8
" "	200	11	20	26	7	13	18
" "	220	4	0	15	24	28	30
" "	240	1½	4	—	43	46	—
SHL (USP 432)	360	82	—	—	—	—	—
" "	390	52	60	68	3	7	14
" "	420	24	32	42	13	13	22
" "	460	8	14	22	40	42	48

Option		Calls May	Calls Aug.	Calls Nov.	Puts May	Puts Aug.	Puts Nov.
BBL (USP 500)	360	145	150	—	1	2	—
" "	390	115	120	—	2	2	—
" "	420	85	90	100	2	7	13
" "	460	47	50	60	7	15	24
" "	500	22	30	40	27	32	37
IMP (USP 113)	90	25	—	—	1	—	—
" "	100	16	—	—	1	—	—
" "	110	10	14	17	4	6	8
" "	120	5½	8	12	9	11	16
" "	160	2	4½	8	18	10	01
LMO (USP 234)	220	32	42	52	12	20	30
" "	940	25	69	42	16	60	66
" "	260	14	22	32	33	45	30
" "	280	9	13	20	56	60	65
" "	500	4	12	—	73	77	—
" "	330	0	5	—	105	107	—
" "	360	1½	—	—	135	—	—
" "	390	1½	—	—	165	—	—
LNR (USP 85)	80	9	11	13	5	5	6½
" "	90	3	6	2	9	11	12
" "	100	1	5	4½	18	00	01
P & O (USP 140)	100	42	43	—	1	9	—
" "	110	39	66	—	8	0	—
" "	120	22	24	07	1½	e	10
" "	130	14	15	19	4	2	16
" "	140	7	10	16	0	16	10
" "	160	2¼	—	—	24	—	—
RCL (USP 477)	420	70	80	06	6	8	10
" "	460	35	60	63	14	96	34
" "	500	14	30	40	52	42	55
" "	550	6	13	—	75	80	—
" "	600	2	6	—	125	130	—
" "	650	1	—	—	175	—	—
RTZ (USP 519)	390	13e	—	—	1	2	—
" "	420	102	107	—	2	—	—
" "	460	82	77	—	2	12	—
" "	500	40	37	70	20	34	40
" "	550	12	28	47	47	55	62
VRF (USP $101)	50	—	—	—	1	—	—
" "	55	—	—	—	1	—	—
" "	65	—	—	—	1	—	—
" "	70	2	—	—	1	—	—
" "	80	e	—	—	2	—	—
" "	90	16	27	—	5	7½	—
" "	100	10½	14½	16	0½	12½	13½
" "	110	7	10	12½	14½	18	10½
" "	120	4½	7	8½	00½	24	27
" "	130	2¼	4½	6½	26½	28½	30½
" "	140	1¼	6½	4½	35½	—	40½

Mar. 11 Total Contracts 392 Calls 475 Puts 217

APPOINTMENTS

Managing director for Brekkes Group

Mr George Risley, formerly sales and marketing director of Findus, has been appointed managing director of BREKKES GROUP. The group, based in Hull, comprises 10 companies including Regal Seafoods, Ron Turner, and Muir and Foster.

★

Mr Allan Tucker has been promoted to director of LESTER HEALTH CARE, part of the Lester Group.

★

Mr Jean Paul Legrand has been elected a senior vice president of TOSCO CORP. Mr Legrand is head of the company's regional office for Europe, Africa and the Middle East. Tosco's regional office has been moved from Paris to London. Mr Legrand joined Tosco in 1974 as monager of the Paris and London offices and was elected a vice president in 1980.

★

Mr John P. Friebe will join CARPETS INTERNATIONAL GROUP on May 1 as a director of Carpets International (UK), the group's operating compony in the UK. He was with Stoddard Holdings where he was group managing director for eight years. After an introductory period Mr Friebe will take over from Mr Geoffrey Allen as marketing director of Carpets International (UK). Mr Allen, who is due to retire early next year, will remain on the board of Carpets International (UK) working closely with Mr Friebe and continuing as deputy managing director of Carpets International Overseas.

★

Mr Ron Coley has been appointed marketing director of WATES SPECIAL WORKS. Before joining Wotes in 1977, Mr Coley was with Bovis.

★

Mr Ron Corderoy has been appointed managing director of BROSTROM CARGO (UK) from July 1. He was promoted from *deputy managing director*, and succeeds Mr Rolf Wallgren who has returned to Gothenburg as general manager of Brostrom Liner Agency.

★

British Shipbuilders, VOSPER THORNYCROFT (UK) has *appointed Mr Gordon H. Dodd* and Mr John B. Gray to the board. Mr Dodd becomes shipyard director (Woolston) as head of the company's largest operating unit. He joined in 1974 and was geoeral manoger of the yard. Mr Gray joins in April *as finance director, from* Cammell Laird Shipbuilders where he was finance director. A successor to Mr E. J. (Terry) Grisley, director products and support projects, has yet to be announced. Mr Grisley is due to take over as managing director of British Shipbuilders subsidiary, Brooke Marine, Lowestoft, on April 1.

★

The management of ABERDEEN TRUST is to be transferred to an independent investment management company which is being formed in Aberdeen. Mr R. Scott Brown, Mr G. A. Robb and Mr M. J. Gilbert, who have been responsible for the management of Aberdeen Trust, will be joining the new company on a full-time basis.

★

Mr Peter Jordan has been appointed to the board of SEAFORTH MARITIME as director of MSV division. He joined in August 1981 as project manager for the design and construction supervision of MSV Stadive.

★

Mr Martin Hodge will be retiring from the post of senior partner at stockbrokers GILBERT ELIOTT AND CO and leaving the partnership on June 30. Mr Peter Thompson will be succeeding him as senior partner. Mr Hodge will become an associated member with the firm.

★

Mr John Brenebley has been appointed a director of Cooper Gay Holdings and a managing director of COOPER GAY AND CO, Lloyd's brokers.

★

Mr Tim Gold Blyth, who joined the Argus Press Group in 1976 as chief executive of the magazine division, succeeds Mr N. K. S. Wills as chairman of the ARGUS PRESS HOLDINGS and the Argus Press from April 1.

★

Mr Norman Foulger and Mr Michael John Slater previously practising as W. J. Gilbert and Co, have been admitted into the partnership of HAYS ALLAN, chartered accountants.

★

Mr R. Gee is to be commodities adviser to the chairman of BICC CABLES. He will also become a director of BICC Cables from April 1.

BASE LENDING RATES

A.B.N. Bank	11 %	■ Hambros Bank	11 %
Allied Irish Bank	11 %	Hargrave Secs. Ltd.	11 %
Amro Bank	11 %	Heritable & Gen. Trust	11 %
Henry Ansbacher	11 %	■ Hill Samuel	§11 %
Arbuthnot Latham	11 %	C. Hoare & Co.	†11 %
Armco Trust Ltd.	11 %	Hongkong & Shangbai	11 %
Associates Cap. Corp.	11 %	Kingsnorth Trust Ltd.	12 %
Banco de Bilbao	11 %	Knowsley & Co. Ltd.	11½%
Bank Hapoalim BM	11 %	Lloyds Bank	11 %
BCCI	11 %	Mallinhall Limited	11 %
Bank of Ireland	11 %	Edward Manson & Co.	12 %
Bank Leumi (UK) plc	11 %	Midland Bank	11 %
Bank of Cyprus	11 %	■ Morgan Grenfell	11 %
Bank Street Sec. Ltd.	10½%	National Westminster	11 %
Banque Belge Ltd.	11 %	Norwich Gen. Tst.	11 %
Banque du Rhone	12 %	P. S. Refson & Co.	11 %
Barclays Bank	11 %	Royal Trust Co. Canada	11 %
Beneficial Trust Ltd.	12 %	Roxburghe Guarantee	11½%
Bremar Holdings Ltd.	12 %	Slavenburg's Bank	11 %
Brit. Bank of Mid. East	11 %	Standord Chartered	‖11 %
■ Brown Shipley	11 %	Trade Dev. Bank	11 %
Canada Perm't Trust	11½%	Trustee Sovings Bank	11 %
Castle Court Trust Ltd.	11½%	TCB	11 %
Cayzer Ltd.	11 %	United Bank of Kuwait	11 %
Cedar Holdings	11 %	Volkskas Intl. Ltd.	11 %
■ Charterhouse Japhet	11 %	Westpac Banking Corp.	11 %
Choulartons	11½%	Whiteaway Laidlaw	11½%
Citibank Sevings	¶ 9 %	Williams & Glyn's	11 %
Clydesdale Bank	11 %	Wintrust Secs. Ltd.	11 %
C. E. Coates	12 %	Yorkshire Bank	11 %
Comm. Bk. of N. East	11 %		
Consolidated Credits	11 %		
Co-operative Bank	*11 %		
The Cyprus Popular Bk	11 %		
Duncan Lawrie	11 %		
E. T. Trust	11½%		
Exeter Trust Ltd.	12 %		
First Nat. Fin. Corp.	13½%		
First Nat. Secs. Ltd.	13 %		
Robert Fraser	11½%		
Grindlays Bank	‡11 %		
■ Guinness Mahon	11 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 8%, 1-month 8.25%. Short-term £8,000/12-months 10.6%.
† 7-day deposits on sums of: under £10,000 8%, £10,000 up to £50,000 8¾%, £50,000 and over 9½%.
‡ Call deposits £1,000 and over 8%.
‖ 21-day deposits over £1,000 9%.
§ Demand deposits 8%.
¶ Mortgage base rate.

WORLD STOCK MARKETS

NEW YORK

Wall St awaiting Opec's move

FURTHER LOSSES were recorded on Wall Street yesterday, as investors waited for a resolution of Opec's oil production and price negotiations.

By 1 pm the Dow Jones Industrial Average was off another 3.42 to 1,115.52, making a loss of 25.44 on the week, while the NYSE All Common Index, at $87.12, shed 53 cents on the day and $1.51 on the week. Declines led gains by a two-to-one majority in a volume down 18.5m shares at 50.39m.

"The market is showing it doesn't want to do anything and the external world is saying that there is no hurry to do anything," said Michael Metz, an analyst with Oppenheimer and Co.

Analysts said the signal could come from Opec, which is meeting in London. The Opec situation caused the Stock Market to open on a sour note, in a continuation of Thursday's late afternoon slump.

G. D. Searle led the active list and dropped $6 to $37¾ — it expects significantly lower first quarter profits.

ATT eased $¾ to $66—it is offering common stock and was the second most active issue. Thursday ATT's Bond ratings were lowered by Moody's Investors Service.

Baldwin United fell $3 to $28¼ —it is attempting to restructure some debt.

Gulf and Western were off $¾ to $25¼—its board is meeting to decide on the company's direction following the death last week of its chairman.

THE AMERICAN SE Market Value Index lost 1.73 to 355.10, reducing its rise on the week to 0.28. Trading volume dropped 3m shares to 4.91m, compared with 1 pm Thursday.

Canada

Slightly lower at mid-session with the Toronto Composite Index off 6.4 at 2,163.5.

The Gold Share Index shed 50.1 to 4,177.2 and Metals and Minerals 11.9 to 2,132.2, but Oil and Gas firmed 2.9 to 2,812.5.

Massey-Ferguson stiffened 5 cents to $4.60 — it announced earlier this week the completion of a major debt refinancing.

Closing prices for North America were not available for this edition.

Germany

Leading shares closed mixed after heavy two-way trading, with the underlying tone remaining firm following this week's powerful post Election rally.

The Commerzbank Index slipped slightly to 844.40 from Thursday's 4½ year high of 847.20.

Large Institutions were again yesterday's big fund movers.

Dealers said better than expected 1982 results Thursday from Hoechst, unchanged at DM 134.5, coupled with news of an unchanged DM 9 dividend from Linde, up DM 0.7 at 338.2, also provided a positive undertone to trading.

On top of this funds are pouring into the mark in anticipation of a revaluation within the EMS, causing four of its partner currencies to fall to their floor yesterday.

AEG rose DM 0.30 to 55.5—its successful debt settlement proceedings are expected to be finalised late next week.

Trading in Domestic West German Bonds was very quiet going into a week that could start with a European Monetary System realignment and finish with a further reduction in West German leading credit rates.

Public issues generally were gained up to DM 0.25. Bundesbank sold DM 8.2m (DM 61.7m) worth of Public stock.

Mark-Denominated Eurobonds also finished somewhat higher.

Paris

Mixed to slightly easier in active trading as investors responded warily to rumours of an imminent devaluation of the franc.

The pressure on the franc gave rise to speculation that another realignment of the European Monetary System could take place this weekend.

Institutional buying and bargain hunting, however, lent some support to the market. Dealers also reported buying from Foreign investors who were eager to exchange French franc currency holdings for equities.

Banks, Portfolios, Hotels, Stores and Oils were higher, but Foods, Motors, Constructions and Chemicals were easier, while Engineerings, Electricals and Metals ended mixed.

Foreign shares showed Americans and Gold Mines lost ground. Germans and International Oils stronger, while Japanese issues were mixed.

Switzerland

Little changed in further diminished volume as most investors remained on the sidelines ahead of the outcome of the current Opec meeting in London.

Banks performed slightly better than the rest of the market, while Insurances and some Financials were narrowly mixed.

Swiss Bonds ended lower on interest rate considerations and a continued oversupply of new issues.

In Foreign shares, Dollar stocks were mixed. Germans mostly eased.

Tokyo

The market gained ground on sporadic bargain hunting in Blue Chips and Speculatives, but trading remained light — 410m (300m)—because of concern over the London Opec talks.

The Market Average rose 53.80 to 8,081.44.

Steels were higher, with investors encouraged by revived Foreign buying, but Drugs fell on liquidation in Margin Trading.

Gold Mines advanced sharply, followed by other non-Ferrous Metals.

Blue Chips were very active, again led by Electricals with interests in Video Tape Recorders. Reports have indicated that VTR sales have picked up in the U.S. and that VTR stockpiles have decreased.

Railroad and Real-Estate concerns Tokyu and Keisei also advanced. Investors sought Tokyu on hopes it will be able to introduce cable television to Japan and Keisei because it is building a railroad to Tokyo Disneyland, which opens on April 1.

Hong Kong

Steady following moderately active late trading. The Hang Seng Index gained 8.99 to 1,032.80.

Sentiment was boosted by Wardley's announcement of a new Property Trust which dealers said demonstrated confidence in the Hong Kong Property Market.

A spokesman for Wardley, a Hongkong and Shanghai Bank subsidiary, said the new Trust could be used by troubled Financial Institutions to offset the risk of default on property related loans.

The Property sector was mostly higher.

Brokers also noted speculative interest for Utilities in expectation of lower energy prices.

The Banking sector was steady. Bank of East Asia closed at HK$31 ex-dividend and ex-bonus.

Australia

Firmer across the board, capping off a week of erratic trading.

There was a notable return by Overseas investors following two days of heavy selling. Brokers said the two-day selloff is now being seen as a technical reaction to gains on Tuesday following the 10 per cent devaluation of the Australian dollar.

The All Ordinaries Index finished up 4.0 at 515.4.

The Mining sector scored some good gains, with most issues moving ahead in active trading. Despite losses in the past two days, Resource stocks are still expected to gain substantially from the dollar devaluation. According to an analysis, overall net earnings of Mines should be up 4.5 per cent because of the move.

Golds reflected firmness in World bullion prices, while Oils were mixed due to the uncertainty surrounding Opec.

CUB, which rose sharply Thursday on heavy trading due to speculation of a partial takeover bid, retreated 15 cents Friday to A$2.65.

Indices

CANADA

DENMARK

NETHERLANDS

AUSTRALIA

JAPAN (continued)

FRANCE

NORWAY

SPAIN

HONG KONG

SINGAPORE

GERMANY

SWEDEN

JAPAN

AUSTRIA

SOUTH AFRICA

SWITZERLAND

BELGIUM/LUXEMBOURG

ITALY

NEW YORK ACTIVE STOCKS

MONTREAL

TORONTO

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar firmer

Currency markets finished the week on an unhappy note. Failure of the Opec ministers to agree on settlement of an oil price bench mark increased the dollar's attractiveness as a natural refuge. This tended to overshadow market fears of a possible realignment within the EMS over the weekend, with such a move bound to benefit the West German D-mark and the Dutch guilder. Despite their obvious attractions, the dollar finished the day firmer against the D-mark at DM 2.4010 from DM 2.3915 and Fl 2.6540 from Fl 2.6490. It was also higher against the Swiss franc at SwFr 2.0710 compared with SwFr 2.0500 and Y238.40 from Y237.0. The U.S. unit showed a small loss in terms of the French franc however, closing at FFr 6.9350 from FFr 6.94 with very short term Euro-franc rates touching 1,000 per cent at one point.

On Bank of England figures the dollar's trade weighted index rose to 121.2 from 120.8. Sterling was weaker overall, undermined by oil price fears. Against the dollar it opened at $1.5050 and touched a high of $1.5090 before slipping in the afternoon on dollar demand to a low of $1.4960. It closed at $1.500-1.5010, a fall of 1.15 cents. It fell against the D-mark to DM 3.6050 from DM 3.6175 and FFr 10.40 from FFr 10.49. It was also lower in terms of the yen at Y358 from Y358½ but rose against the Swiss franc to SwFr 3.11 from SwFr 3.1075.

Sterling's index finished at 79.4 compared with 79.8, having stood at 79.4 at noon and 79.7 in the morning.

EMS currencies were cleanly divided between the strong D-mark and Dutch guilder and the other five very weak currencies.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU March 11	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9704	44.5526	−0.93	+1.00	±1.5501
Danish Krone ...	8.23400	8.15399	−0.97	+0.96	±1.6430
German D-Mark	2.33379	2.28061	−3.14	−1.21	±1.0888
French Franc ...	6.61387	6.55251	−0.93	+1.00	±1.3940
Dutch Guilder ...	2.57971	2.50034	−3.08	−1.16	±1.5004
Irish Punt.........	0.691011	0.684273	−0.98	+0.95	±1.6691
Italian Lira	1350.27	1352.30	+0.16	+0.95	±4.1389

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

THE POUND SPOT AND FORWARD

March 11	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.4960-1.5090	1.5000-1.5010	0.30-0.25c pm	2.20	0.75-0.70 pm	1.93
Canada	1.8380-1.8470	1.8395-1.8405	0.32-0.22c pm	1.76	0.70-0.90 pm	1.41
Nethlnd.	3.95½-4.00½	3.98-3.99	2¼-2c pm	6.77	6¾-6½ pm	6.62
Belgium	70.40-71.10	70.70-70.80	120-140c dis	−22.05	160-200dis	−10.18
Denmark	12.92-13.03	12.99-13.02	12¾-14¾ore dis	−12.23	24-28 dis	−7.89
Ireland	1.0850-1.0950	1.0906-1.0925	0.47-0.59p dis	−5.83	1.00-1.19dis	−4.01
W. Ger.	3.57½-3.61½	3.60-3.61	2¼-1¾pf pm	6.24	5¾-5¼ pm	6.10

Belgian rate is for convertible francs. Financial franc 75.20-75.30. Six-month forward dollar 1.07-1.02c pm. 12-month 1.65-1.50c pm.

THE DOLLAR SPOT AND FORWARD

March 11	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4960-1.5090	1.5000-1.5010	0.30-0.25c pm	2.20	0.75-0.70 pm	1.93
Ireland†	1.3765-1.3835	1.3765-1.3780	1.00-0.75c pm	7.60	2.35-1.85 pm	3.08
Canada	1.2240-1.2270	1.2260-1.2270	0.04-0.06c dis	−0.88	0.12-0.17dis	−0.47
Nethlnd.	2.6430-2.6550	2.6530-2.6550	1.08-0.98c pm	4.67	3.10-3.00 pm	4.61
Belgium	47.05-47.16	47.14-47.16	90-110c dis	−25.47	130-160dis	−12.31
Denmark	8.6200-8.6900	8.6600-8.6800	4½-6¼ore dis	−6.80	9¾-10¼ dis	−4.52
W. Ger.	2.3875-2.4020	2.4005-2.4015	0.95-0.80pf pm	4.12	2.57-2.52 pm	4.24

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 50.10-50.20.

EXCHANGE CROSS RATES

MONEY MARKETS

Further shortage

UK clearing bank base lending rate 11 per cent (since January 12 and 13)

Day to day credit was in short supply in the London money market yesterday, with the Bank of England forecasting a shortage of £350m. Factors affecting the market included bills maturing in official hands and a net take up of Treasury bills —£192m and a rise in the note circulation of £235m. On the other hand Exchequer transactions added £100m to the system. The Bank gave assistance in the morning of £92m, comprising purchases of £16m of eligible bank bills in band 1 (up to 14 days) at 11 per cent and £26m in band 2 at 11 per cent. It also entered into sale and repurchase agreements on £50m of bills at 11 per cent, unwinding on April 14.

Further help in the afternoon came to £220m, making a grand total of £312m. The afternoon help comprised purchases of £25m of local authority bills in band 1 and £90m of eligible bank bills at 11 per cent and in band 2 £5m of Treasury bills and £57m of eligible bank bills all at 11 per cent. In band 3 (34-63 days) it bought £30m of eligible bank bills at 11 per cent. The Bank also arranged sale and repurchase agreements on £13m of bills at 11 per cent, unwinding on April 14.

Weekend interbank money opened at 11¼-11½ per cent and eased to 11-11¼ per cent before touching a high of 12 per cent. However, rates fell away later in the day with closing balances taken nearer 5 per cent.

LONDON MONEY RATES

Mar. 11 1983	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ‡	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight.......	—	5-12	—	—	—	11¼-11¾	10-11¼	—	—	—
2 days notice .	—	—	11⅛	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	11⅝-11⅝	—	—	—	—
7 days notice ..	—	11⅛-11⅜	11⅛	—	—	11⅛-11⅝	11-11⅛	—	—	—
One month......	11⅛-11⅛	11¼-11⅜	11⅛	11⅛-11⅜	11¼	11⅛	11	11	11⅛	11⅜
Two months	11⅛-11⅛	11⅛-11¼	11	11⅜-11⅜	11¼	11⅛	10⅞	10¾-11	10⅞-10⅞	11½
Three months .	11⅛-11	11⅛-11¼	11	11⅛-11¼	11¼	—	10¾	10⅞-10⅞	10⅞-10⅞	11⅛
Six months......	10⅞-10¾	10⅞-10⅞	10¾	10⅛-10¼	11	—	—	—	10⅝-10⅞	11
Nine months ...	10⅞-10⅝	10⅞-10⅞	—	11-10¾	11	—	—	—	—	—
One year........	10¾-10⅝	10¾-11⅛	10⅛	10⅞-10⅝	10⅞	—	—	—	—	—
Two years.......	—	—	10⅛	—	—	—	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV Average Rate for interest period February 2 to March 1 1983 (inclusive) 11.391 per cent.

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 11⅛ per cent; four years 11¾ per cent; five years 11⅛ per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rate for four month bank bills 10⅞-10¾ per cent; four months trade bills 11⅛ per cent.

Approximate selling rate for one month Treasury bills 10[15]/[16]-10 61-64ths per cent; two months 10[13]/[16]-10⅞ per cent; and three months 10[23]/[32]-10¾ per cent. Approximate selling rate for one month bank bills 10 63-64ths-11 per cent; two months 10¾-10⅞ per cent; and three months 10[23]/[32]-10¾ per cent; trade bills 11⅛ per cent; two months 11⅛ per cent and three months 11[3]/[16] per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 11½ per cent from March 1 1983. London and Scottish Clearing Bank Rates for lending 11 per cent. London Deposit Rates for sums to seven days' notice 8 per cent.

Treasury Bills: Average tender rate of discount 10.7473 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held one month 11½ per cent; one-three month 11¼ per cent; three-six month 11 per cent; six-12 month 10¾ per cent. Under £100,000 10½ per cent from March 7. Deposits held under Series 3-5 10¾ per cent. The rate for all deposits withdrawn for cash 8½ per cent.

EURO-CURRENCY INTEREST RATES
(Market closing rates)

Mar. 11	Short term	7 days notice	Month	Three Months	Six Months	One Year
Sterling........	11⅛-11⅜	11¼-11½	11¼-11⅜	11⅛-11⅛	10½-11⅛	10½-10⅛
U.S. Dollar....	8⅝-8⅞	8¾-0	0⅛-9⅞	P⅞-0⅛	0⅛-0⅝	0⅛-0¾
Can. Dollar...	8-0	8½-0½	0½-0¾	0⅝-9⅝	9½-0¾	9¾-10
D. Guilder	4⅞-4⅞	4⅞-4⅞	4½-4⅝	4⅞-4⅞	4⅝-4¾	5⅛-3¼
S. Franc........	3½-3¾	5½-3¾	5⅞-5⅞	5⅞-3⅞	3⅞-3⅞	5⅞-3⅞
Deutschm'rk	5⅞-5⅞	5⅞-5⅞	6⅞-6⅞	6-5⅛	6⅞-6⅛	5¼-5⅝
Fr'nch Franc	25-125	280-340	78-88	66-38	24 66	20⅛-22⅛
Italian Lira...	165-560	50-80	65¼-40¼	06¼-26¼	21¼-05¼	20⅛-22
Belg. Franc..						
Conv........	55-83	65-85	61-33	18 20	15¼-16¾	16¼-14
Fin............	16¾-16¼	15¼-16¾	15¼-15½	14¾-15	15⅛-16⅝	18½-18¼
Yen	6⅞-6⅞	6⅞-7	6⅞-7	6⅝-0¾	6⅞-6⅛	6⅝-6½
D. Krone......	16¼-10¼	00¼-05¼	19¼-80¼	10¾-17¾	15⅝ 16⅝	16⅝-16⅞
Asia $ (Sing.)	8¾-8⅛	6⅞-0	0-0⅛	0⅛-0¼	0¼-9⅝	0⅝-9⅛

FT LONDON INTERBANK FIXING
(11.00 a.m. MARCH 11)

3 month U.S. dollars		6 months U.S. dollars	
bid 0 1/4	offer 0 3/8	bid 9 7/16	offer 0 9/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

OTHER CURRENCIES

Mar. 10	£	$		£ Note Rates
Argentina Peso...	06,707-06,997	62,840-66,890	Austria...........	25.15-25.46
Australia Dollar..	1.7505-1.7585	1.1650-1.1655	Belgium...........	76.05-76.05
Brazil Cruzeiro...	591.0-594.0	594.06-306.03	Denmark...........	12.90-15.05
Finland Markka...	8.0910-8.1165	5.3875-5.38 65	France............	10.87-10.58
Greek Drachma...	124.021-127.357	83.30-83.80	Germany...........	5.57½-3.01½
Hong Kong Dollar	0.9365-6.9460	6.6160-6.6210	Italy..............	2150-2180
Iran Rial..........	126.90*	84.55*	Japan..............	067-362
Kuwait Dinar (KD)	0.439-0.440	0.2004-0.2825	Netherlands......	6.05¾-3.00¼
Luxembourg Fr...	70.70-70.80	47.14-47.16	Norway............	10.74-10.84
Malaysia Dollar..	5.4050-3.4550	2.2830-0.2850	Portugal..........	146-170
New Zealand Dlr.	2.2885-2.2605	1.5280-1.5300	Spain..............	190¼-206
Saudi Arab. Riyal	5.1640-5.1605	3.4305-3.4405	Sweden............	11.15-11.65
Singapore Dollar	3.1010-5.1305	2.0705-2.0815	Switzerland.......	6.07-6.10
Sth. African Rand	1.5555-1.6570	1.0900-1.0910	United States.....	1.48-1.51
U.A.E. Dirham...	5.5135-5.5105	3.6700-3.0156	Yugoslavia.........	117-126

*Selling rates

COMMODITIES AND AGRICULTURE

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1982/83 High	1982/83 Low
Gas Oil Fut. April..........	$226.5	−1.5	$247.5	$325	$220
Jute LJ ASW C grade.......	‡	—	£263	£270	£223
Rubber kilo................	77.6p	+6	48.5p	78.5p	45p
Sago Pearl	£250v	—	£220	£250	£220
Sisal No. SL	$585	—	$640/650	$640/660	$590/610
Sugar (Raw)................	£105v	+1	£101	£177	£88
Tapioca No. 1.............	£285v	—	£215	£285	£216
Tea (quality) kilo.........	144p	−1	120p	105p	117p
(low med.) kilo..........	119p	—	‡	‡	
Wooltops. 64s Warp........	405p kilo	—	388p kilo	405p kilo	382p kilo

‡ Unquoted. (o) Madagascar. (e) April. (z) May. (v) March-April. § Ghana cocoa.

LONDON OIL SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light..........	28.10-28.50	+0.15
Iranian Light..........	26.10-27.10	+0.85
Arabian Heavy..........	25.10-25.30	+0.06
North Sea (Forties)	27.50-28.65	−0.12
North Sea (Brent)	27.60-28.65	+0.02
African (Bonny L'ht)	27.80-28.50	−0.22
PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	258-272	−1.5
Gas oil	232-240	+0.6
Heavy fuel oil	156-158	—

GAS OIL FUTURES

The market opened about $7.00 down to reflect the New York close before steadying. Gloomier news from Opec took prices to the lows but they bounced back and held above these levels until the close, reports Premier Man.

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
March	231.50	−7.50	234.50-28.75
April.......	220.50	−8.00	230.00-25.00
May.........	221.00	−6.50	224.75-18.00
June........	218.00	−7.50	222.50-16.00
July........	218.00	−7.50	221.50-17.00
Aug.........	219.75	−6.75	225.50-20.00
Sept........	222.00	−7.00	225.50-21.00
Oct.........	226.00	−5.00	227.00-26.00
Nov.........	227.25	−1.75	227.25

Turnover: 2,644 (4,758) lots of 100 tonnes.

GOLD MARKETS

Gold fell $12¼ per ounce from Thursday's close in the London bullion market yesterday to finish at $422-423. The metal opened at $426¼-427¼ and traded between a low of $418-419 and a high of $426¼-427¼. Once again trading was dominated by the current meeting of Opec ministers with little incentive to take out fresh positions ahead of the weekend.

LONDON FUTURES

Month	Yest'rday's close	+ or —	Business Done
	$ per troy ounce		
March...	420.80-22.5	−15.75	—
April......	425.00-25.7	−15.55	428.60-20.6
May........	420.70-28.5	−15.65	—
June.......	429.20-29.5	−15.30	438.00-28.6
July.......	432.20-33.8	−13.40	—
August....	435.20-36.5	−12.90	—
Sept.......	438.20-40.8	−15.00	—

Turnover: 1,081 (979) lots of 100 troy ounces.

	Mar. 11		Mar. 10	
Gold Bullion (fine ounce)				
Close..................	$422-423	(£280-281⅛)	$434⅛-435⅛	(£287¼-288)
Opening	$426¼-427⅛	(£283-283¾)	$427⅛-428⅛	(£284-284¾)
Morning fixing	$424	(£281.260)	$433	(£286.907)
Afternoon fixing......	$420.50	(£280.205)	$434.75	(£287.533)

Gold Coins Mar. 11

Krugrand	$434-435	(£289¼-289¾)	King Sov	$102½-105½	(£68-70)
½ Krug	$223¼-224¼	(£149-149½)	Victoria Sov	$102½-105½	(£68-70)
¼ Krug	$114-115	(£75-76¾)	French 20s	$95¼-97⅛	(£63⅛-65)
1/10 Krug	$46½-47¼	(£30¾-31¼)	50 pesos Mex	$511-514	(£340½-342½)
Mapleleaf	$433-434½	(£288¼-289¼)	100 Cor. Aust	$416-419	(£276½-279)
New Sov	$99¼-100¼	(£66¼-66¾)	$20 Eagles	$570-580	(£379½-386½)
½ New Sov	$60-61	(£39¼-40¼)			

REVIEW OF THE WEEK

Rubber prices move to 3-year high

BY OUR COMMODITIES STAFF

PHYSICAL DEMAND took over from previous speculative buying this week to keep the upsurge in natural rubber prices going. The RSS No. 1 spot position on the London physical market—which had already risen by nearly 50 per cent since the beginning of the year—reached a 3-year high of 78.5p a kilo before ending 3p up on the week at 77.5p a kilo.

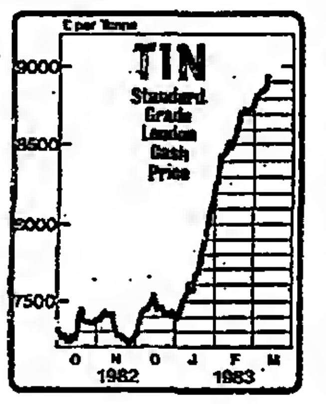
Dealers said the continued producer policy of holding rubber off the market, combined with the arrival of the wintering season (when rubber tapping is reduced) and increased latex purchases by the U.S. and the Soviet Union, were leading influences in the rise.

The earlier rise had been attributed mainly to speculative demand, though Chinese buying was also a factor.

The coffee market was also stronger but dealers said this was almost entirely due to chart-led speculative activity. After trading in a relatively narrow range for some weeks nearby prices broke through established resistance levels early in the week and moved ahead quickly to establish new 32-month highs. The May position on the London futures market ended £76.50 up on the week at £1,738.50 a tonne.

Prices were helped yesterday by news that producers meeting in London had agreed on a formula for sharing out a 750,000 bags (60 kilos each) cut in the global quota agreed last year after Hungary and Israel withdrew from the International Coffee Organisation.

The failure of the oil producers cartel (Opec) to agree on a new pricing policy unsettled the metal markets generally.



Copper prices lost ground both in London and New York following some sustained speculative selling, in spite of continued optimism about improved demand developing. U.S. copper producers made further cuts in their domestic selling prices, down to 78 cents against 84 cents earlier this month. On the London Metal Exchange the high-grade copper cash price closed £17.75 down on the week at £1,051 a tonne.

However tin prices continued to rise strongly. The three months standard grade quotation gained £131 to a new peak of £8,971.5 a tonne and the cash price at £8,947.5 is close to the record level of £9,000 reached briefly in February last year.

The buffer stock of the International Tin Council now appears to have established complete control of the market. The Straits tin price in Penang is gradually being pushed higher — it rose from M$29.63 to M$30.07 a kilo this week—but remains in the Tin Agreement's lower price range of M$29.15 to M$32.06. London values are being kept in line with the rise in Penang, which may accelerate as export quotas fixed for the first quarter of the year become exhausted.

Nickel futures rose to the highest level for a year. The cash price gained £187.5 to £3,192.5 a tonne following further speculative and trade buying. Improving demand for nickel is expected to reduce surplus stocks that have kept prices very depressed and brought major cutbacks in production.

BASE METALS

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £1047, three months £1077, 76, 76.50, 77, 78, 77, 77.50, 79, 78, 77. Cathodes: Three months £1057. Kerb: Higher Grade: Three months £1077, 78, 75, 74.50, 75. Afternoon: Higher Grade: Three months £1076, 77, 77.50, 82, 81, 82, 82.50, 83, 82, 81.50, 82. Cathodes: Three months £1062. Kerb: Higher Grade: Three months £1081, 80.50, 80, 80.50, 81, 82, 82.50. Turnover: 28,700 tonnes.

ALUMINIUM

Aluminium	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Spot	870.5-1	−6.25	860-70	−9
3 months	898.5-0	−6.5	896-.5	−10.7

COFFEE

COFFEE	Yesterday's Close	+ or —	Business Done
March	1708-10	+4.8	1708-00
May..........	1738-39	+17.0	1740-16
July..........	1621-22	+10.3	1625-05
Sept..........	1565-66	+11.0	1567-54

INDICES

FINANCIAL TIMES

Mar. 10	Mar. 9	M'th ago	Y'ar ago
262.61	263.24	256.41	243.01

(Base: July 1 1952=100)

AMERICAN MARKETS

NEW YORK, March 11.

Precious metals weakened on follow through selling from the previous day as expectations of any Opec agreement turned negative; weighing on the market was also the news about accelerated sales of crude oil by the Soviets in the Western markets. Copper prices were under pressure from selling related to lower reported retail sales and due to active arbitrage selling. Heating oil prices rallied in nervous trading, marking time until further Opec news is available. Sugar prices advanced on indications from private trade sources that the spot surplus situation is not as depressed as has been anticipated. Coffee prices were higher as it became apparent that producing countries would be able to agree on how the lower quotas should be allocated, reported Heinold Commodities.

NEW YORK

COCOA 10 tonnes, $/tonnes

	Latest	High	Low	Prev
March	1757	1757	1757	1773
May	1785	1825	1777	1828
July	1820	1847	1807	1850
Sept	1845	1865	1835	1879
Dec	1871	1885	1870	1894
March	1900	1905	1900	1920

CHICAGO

LIVE CATTLE 40,000 lbs, cents/lb

	Close	High	Low	Prev
April	65.87	66.20	64.67	64.92
June	66.15	66.47	66.45	65.67
Aug	64.22	64.45	63.66	63.70
Oct	61.97	62.10	61.40	61.55
Dec	62.97	63.05	62.50	62.67
Feb	62.80	62.90	62.50	62.37

STOCK EXCHANGE DEALINGS

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated, denominations are 25p and prices are in pence. The prices are those at which business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange Talisman system; they are not in order of execution but in ascending order which denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business in the five previous days is given with the relevant date.

‡Bargains at special prices. ♦Bargains done the previous day. ΔBargains done with non-member or executed in overseas markets.

CORPORATION & COUNTY

UK PUBLIC BOARDS

COMMONWEALTH GOVT.

FOREIGN STOCKS (coupons payable London)

CORPORATIONS—FOREIGN

BANKS, DISCOUNT

BREWERIES

Whitbread 4½pc2ndPf (£1) 36½. 6pc3rd Pf (£1) 56½. 7pc3rdPf (£1) 64½ 6½ (7/3). 4½pcDb 1999-2004 £44 (7/3). 5½pcDb 1981-86 £84½. 6¼pcDb 1987-92 £71½ (9/3). 6½pcDb 1986-91 £73¼. 6¼pcDb 1984-87 £84 (8/3). 7pcDb 1988-93 £72¼ (8/3). 7¼pcDb 1989-94 £76½ (9/3). 7¼pcLn 1986-91 £73½ (8/3). 7¼pcLn 1995-99 £68 ½. 7¼pcLn 1996-2000 £69¼. 9pcLn 1997-2001 £75½ (8/3). 10½pcLn 2000-05 £83

Whitbread Inv 158 60 1 ½ 2½ 2 4. 5¼pcDb 1980-85 £93½ (4/3)

Young Co's Brewery 4.2pcPf 50 (9/3). 9pcPf (£1) 110 (9/3)

COMMERCIAL INDUSTRIAL

A—B

AAH Hldgs 6pcPf (£1) 44 8

A.C. Cars (5p) 35 8 (8/3)

AE 8pcLn 1969-94 £64¼ ½

AECI 5½pcPf (R2) 32 (8/3)

AI Inds Prods 6pcPf (£1) 25 5 (9/3)

C—D

Combined English Stores Gp 7½pcPf (£1) 48. 9½pcLn 1986-91 £63 (9/3)

Computer Systems Eng 9.1pcPf (£1) £91½

Cook Watts 9¼pcLn 1987-92 £72 (9/3)

Cookson Gp 7pcPf (£1) 51 (8/3)

Cope Allman (Intl) 7½pcLn 1971-90 £75 ¼

Cosalt 10pcLn 1983-88 £79 (8/3)

Courtaulds 6pc2ndPf (£1) 51. 7¼pcDb 1989-94 £73½. 5½pcLn 1994-96 £49 ¼. 6½pcLn 1994-96 £55½ 8. 7¼pcLn 2000-05 £60½. 7¼pcLn 1994-96 £62¼

Courtaulds Knitwear 7½pcPf (£1) 53 4½ 6½ (4/3). 6¼pcDb 1984-89 £74 (4/3)

Courts (Furnishers) 137

Cowan de Groot 10½pcPf (£1) 85

Cowie (T.) 10½pcPf (£1) 126 (8/3)

Croda Chemicals Intnl 6pcPf (£1) 56 (8/3)

Croda Intnl 10¼pcLn 1991-96 £91 4

Cronite Gp 14pcLn 1992 £99½ 100 1

Crosby House Gp 7pcPf (£1) 57 (9/3)

Crouch Gp 9pcLn 1993-96 £80 3

E—F

G—H

Crown House 7½pcPf (£1) 50 (8/3)

Crowther (J.) Gp 5pcPf (£1) 24½ 6

Crystalate Hldgs 8pcPf (50p) 22 (9/3). 9¾pcLn 1999-2000 £226 (9/3)

DRG 7¼pcLn 1986-91 £72½ 3 ½

Dalgety 4.85pcPf (£1) 58 (9/3)

Danish Bacon 5½pcPf 1899 (£1) 40 (7/3)

Davies Metcalfe (10p) 57 (9/3)

De La Rue 2.45pcPf (£1) 27½ 9½ (4/3)

I—K

Kelsey Ind 10pc Pf (£1) 112 (8/3)

Kraft Prod (10p) 35 (7/3)

Kynoch (G.andG.) 49 50 (8/3)

L—M

LRC Int 8pc Ln 1990-95 £70½ (8/3). 10½pc Ln 1990-95 £85 (7/3)

Ladbroke Grp WtsToSub 136 7. 8pc Gtd Ln 1890-92 £75½ (8/3)

Laing (John) A NoVtg 97 9 100 1

N—O—P

Q—R—S

Smiths Industries 11¼pcDb 1995-2000 £91 ¼ (8/3)

Smurfit (Jefferson) 10½pcLn 1975-05 (£62 (8/3)

Sotheby Parke Bernet 9½pcPf (£1) 98

Southend Stadium (5p) 222 ½ (10/3)

Spillers 7pcDb 1918-83 £97½ (9/3). 7¼pc Db 1984-89 £78½

Staveley Indus 5½pcPf (£1) 40½. 7½pcLn 1986-91 £66 (9/3)

Stead Simpson 248 (9/3)

Steel Brothers Hldgs 5.6pcPf (£1) 50.

T—U—V

W—Y—Z

FINANCIAL TRUSTS

INSURANCE

INVESTMENT TRUSTS

Merchants Trust 4pcLn 1990-95 £178 (8/3)

Metropolitan Trust 3½pcDb 1975-85 £87 (7/3)

Murray Clydesdale 4½pcPf (£1) 41 2 (7/3)

Murray Northern 5½pcPf (£1) 48½

Murray Western 4½pcPf (£1) 40½ (9/3). 3¼pcDb £27 (9/3). 6pcDb 1983-88 £78½

New Darien Oil Wts 15 7

New Tokyo Wts 96 (9/3)

MINES—MISCELLANEOUS

MINES—SOUTH AFRICAN

OIL

PROPERTY

PLANTATIONS

RAILWAYS

SHIPPING

UTILITIES

WATER WORKS

UNLISTED SECURITIES MARKET

RULE 163 (4) (a)

Bargains marked in securities which are quoted or listed on an Overseas Stock Exchange.

RULE 163 (2)

Applications granted for specific bargains in securities not listed on any Stock Exchange.

RULE 163 (3)

Dealings for approved companies engaged solely in mineral exploration.

(By permission of the Stock Exchange Council)

EUROPEAN OPTIONS EXCHANGE

Series			March Vol.	March Last	June Vol.	June Last	Sept. Vol.	Sept. Last	Stock
D/FL	C	F.260	1	6	—	—	—	—	F.264.55
D/FL	C	F.265	20	1	—	—	—	—	"
D/FL	P	F.265	57	1	6	8	—	—	"
D/FL	P	F.270	25	5	146	12	—	—	"
D/FL	P	F.275	156	10 B	61	16	—	—	"
D/FL	P	F.288	40	18	—	—	—	—	"
			May		Aug.		Nov.		

TOTAL VOLUME IN CONTRACTS 11,496

A=Asked B=Bid C=Call P=Put

Authorised Units—continued

Insurances—continued

Offshore and Overseas—continued

هكذا صدر الأصل

هكذا صدر الأصل

INTERNATIONAL COMPANIES and FINANCE

Provisions hit result at Dow Banking

By John Wicks in Zürich

DOW BANKING Corporation, the Swiss bank which is 75 per cent owned by Dow Chemical of the U.S. has decided to set aside SwFr 14m ($6.8m) of its 1982 income as provisions and depreciation against increased credit risks.

Mr Arthur Bolliger, the general manager, said yesterday that this "extremely cautious" step was dictated particularly by developments in Latin America. At the end of 1982 SwFr 126m, or 12 per cent of tha hank's total credit risks, had been accounted for by exposure in Latin America.

Despite an increase in gross earnings from SwFr 15.9m to SwFr 21.3m, net profits have dropped as a result of the provisions from SwFr 14m to SwFr 7.3m.

At its annual meeting on April 19 the bank will propose a reduction in its dividend for the year from 9 per cent to 4 per cent.

Net interest income rose from SwFr 13.4m to SwFr 15.2m. Net commission income went up from SwFr 7.3m to SwFr 8.4m. The balance-sheet total grew from SwFr 1.93bn to SwFr 2.06bn.

Steady year at Creditanstalt

By Our Financial Staff

CREDITANSTALT Bankverein, Austria's biggest bank, achieved a 16.5 per cent increase in its balance-seet total last year to Sch 337.67bn ($20bn), from Sch 289.69bn, but saw group net profits, at Sch 271.6m, virtually unchanged from Sch 270.1m.

The parent bank is recommending an unchanged dividend of 10 per cent, and has at the same time increased by 8.8 per cent its payment to discretionary reserves, from Sch 1.8bn to Sch 1.96bn.

Earnings double as sales rise at Swedish Match

BY DAVID BROWN IN STOCKHOLM

SWEDISH MATCH, the diversified industrial group, more than doubled earnings from SKr 98m in 1981 to SKr 212m ($28m) last year, with sales advancing hy 10 per cent to SKr 7.5bn. Tha earnings, after financial items but before tax, bring the group close to the SKr 225m profits achieved in 1980, and it predicts that the favourable trend will continua in 1983.

Group operating profits rose from SKr 313m to SKr 477m last year, up 52 per cent, with all major operations showing better results. The group says the good result is largely owing to restructuring activities, and adds that business trends in major markets "have not provided any assistance" and that declines in volume were noted in several product groups. Earnings per share rose from SKr 6 to SKr 11.

Net financial items rose by 29 per cent from SKr 306m to SKr 395m but the company noted a "favourable trend" starting in the last four months of 1982. Exchange losses of a non-recurring nature of SKr 80m arose from the devaluation of the krona last October as well as devaluations in Chile, Argentina and Uruguay.

The Match group boosted operating earnings from SKr 162m to SKr 198m, with sales ahead 16 per cent. Earnings from the Profitisland gas operation were lower than 1981, and "insignificant" incomes are forecast for 1983 because of prodnction interruptions.

The Tarkett group nearly doubled operating profits from SKr 68m to SKr 117m, on 78 per cent higher sales. The improvement was said to be mainly because of 1981 acquisitions, and an improvement in the wooden flooring division, which acquired the Harris flooring company of the U.S. late last year.

Losses at the particle board division were down from SKr 21m to SKr 6m, with the sale of the loss-making Worms operation in West Germany.

The board has proposed a dividend of SKr 8, up from SKr 7 paid in 1981. Investments in fixed assets declined to SKr 275m from SKr 283m. Cash and liquid assets grew from SKr 282m to SKr 426m.

Revenue increase fails to boost Ballast-Nedam

BY WALTER ELLIS IN AMSTERDAM

BALLAST-NEDAM, the Amsterdam-based construction and dredging group, achieved net profits last year of Fl 29m ($10.8m)—2 per cent more than in 1981—on sales up 63 per cent, at Fl 2.55bn.

Gronp orders to the end of December fell to Fl 2.9hn, compared with Fl 4.6bn in 1981. Throughout 1982, however, Ballast's dredging division was undergoing restructuring and contributed very little to earnings.

Ballast, which is 70 per cent owned by Minefa Holdings, a Middle East group, derived about 80 per cent of its turnover last year from overseas contracts.

The company has proposed a dividend of Fl 6 per Fl 20 nominal share.

● The Economic Standing Committee of the Dutch Parliament intends to conduct an inquiry into the policies of successive governments on RSV, the failed shipbuilding and engineering group.

The inquiry — to be carried out by fiva external experts — will look, in particular, into the use by RSV of some Fl 2bn in state subsidies granted between 1977 and the end of last year.

RSV, which is now in receivership prior to be hroken up, has also come under pressure from the Government of Taiwan, which has said that Fl 50m in potential orders for Dutch companies may not be placed unless it is guaranteed delivery of two submarines ordered in 1981.

The submarines are at present under construction in a yard near Rotterdam, but Wilton-Fijenoord, the RSV subsidiary responsihle, is desperately short of funds and may need outside help to complete the order.

Strong advance at Italian steel products maker

By Our Rome Correspondent

DALMINE, the Italian specialised steel products company mostly owned hy the IRI-Finsider state holding company, reports net profits of L151hn ($106m) for last year, compared with L113.7bn in 1981. The dividend is being raised to L70 per share from the L6.9 paid last year.

The increased profit, in additioo, has led the company to announce a scrip issue which would raise its capital from L158bn to L226bn. The nominal value of the company's shares is to go up from L350 to L500 each.

Turnover in 1982 was L1,383bn compared with L1,160hn in the previous year, with foreign sales accounting for most of the increase.

The company has a strong position in the market for high quality seamless steel pipes.

Ericsson shows moderate upturn

By Our Stockholm Correspondent

Ericsson, the Swedish telecommunications group, reports 1982 group pre-tax earniogs np from SKr 1.2hn to SKr 1.3bn ($173m). Excluding minority ioterests, earnings slipped to SKr 1bn, compared with SKr 1.1ho in 1981.

Net sales advanced 21 per ceot to SKr 19.5bn, and "other operating revenue" rose by 29 per cent to SKr 614m. About 80 per cent of total sales came outside Sweden.

Net financial losses rose by SKr 303m to SKr 1.1bn, mainly hecause of the devaluatioo of the Mexican peso and a high U.S. dollar value. The figure was also said to reflect continuing declines in the value of the Argentinian and Brazilian currencies.

Operating profit improved hy 7 per cent last year to SKr 2.37bn.

Order bookings at SKr 22.5hn were np 11 per cent, but ioclode an adjustment for the acqoired backlog of new companies in tha group of SKr 728m.

Parent company net income rose to SKr 251m from SKr 215m in 1981. The board of directors has proposed a dividend of SKr 7.50 per share, np SKr 1.

Hotel assets sale by Loews

By Our Financial Staff

LOEWS Corporation, the diversified U.S. finance, cigarettes, and botels group, has sold two subsidiaries whose principal assets were long-term leases for two London botels.

The company estimates that the pre-tax gain on the sale will amount to about $60m.

Group income down at Sanyo Electric

BY YOKO SHIBATA IN TOKYO

SANYO ELECTRIC, one of Japan's leading electrical companies, suffered a 9.6 per cent fall in consolidated net profits, to Y28.8bn ($121.5m) in the fiscal year eoded November 30 1982.

Sales rose by 5.6 per cent to reach Y1,030bn and consolidated profits per share were Y29.70, compared with Y35.43 previously.

Parent company net profits were Y24.7bn, up 3.1 per cent, on full year sales of Y761bn. The company has adopted the SEC consolidated accounting system.

During the past year, sales in the electronics sector, including VCRs, rose by 5.8 per cent to account for 56.3 per cent of the total consolidated turnover. Sales of honsehold electrical goods, however, fell by 0.2 per cent to 25 per eent of tha total.

Overseas sales rose by 8.3 per cent to 62.4 per cent of the coosolidated total, while domestic sales were sluggish, up only 1.6 per eent on tha previous year.

In the current fiscal year eoding November 1983, the company plans to put greater stress on office automation equipmeot, industrial robots and software such as discs for the digital audio units, tapes for the next generation of VCRs and plain-paper copiers. Consolidated full year sales are targeted at Y1,140bn, e 10.7 per cent rise, with net profits projected as increasing by 11.2 per cent to Y32bn.

● Charles Smith adds: Fujitsu, Japan's leading compnter mannfacturer, has decided to take full control of a joint venture company established three years ago with TRW, the diversified American industrial group, to sell small computers in the U.S.

The decision follows what are descrihed as "disappolntiog" sales. Fujitsu is to huy out TRW's 49 per ceot stake in the joint-venture company for an undisclosed price.

Dome in C$1bn offshore exploration projects deal

BY OUR FINANCIAL STAFF

DOME PETROLEUM has reached agreements with its exploration subsidiary, Dome Canada, and 38 other participants on five offshore oil and gas exploration projects expected to cost almost C$1bn (U.S.$815m) over the next fiva years.

The agreements, relating to separate blocks of the Beaufort Sea, are among the largest in total value in Canadian history. The programme will create work for more than 600 during each year.

The two Dome companies will spend about C$720m over the five years. The agreements, negotiated with the Canadian Oil and Gas Lands Administration, require Dome Petroleum and its associates to drill eight wells and complete 2,400 miles of seismic surveys at an estimated cost of C$969m.

About 3.4m hectares of lands are involved, half of which will he relinquished to the Crown in two stages after the most promising prospects have heen evaluated.

● Canada Development Corporation, a holding company with a wide range of industrial and resource-related operating subsidiaries, suffered a net loss of C$125.8m (U.S.$102m) last year, compared with profits of C$85.1m. Revenues rose from C$3.14bn to C$4.01bn.

Profits setback at Dunlop Olympic

By Michael Thompson-Noel in Sydney

TRADING profit at Dunlop Olympic, the diversified Australian manufacturing group, fell by 15 per ceot to A$24.2m (US$20.6m) in the half year to December 31 1982. The interim dividend has been maintained at 4 cents per share, well covered by earnings of 8.9 cents a share (11 cents previously).

The company cited drought and the recession for the profits dip, though group sales were 5.7 per cent higher at A$692m.

The company's tyre making and retailing operations, hit by dumping, traded at a loss, though most other areas performed satisfactorily, including footwear, Olex cables and Ansell, a household and medical glovemaker.

The tax charge fell to A$16.2m from A$22.7m but interest rose to A$10.6m from A$8.9m.

There was an extraordinary loss of A$8m, resulting mainly from the tyre division's reconstructioo, against an extraordinary profit in the corresponding half of last year of A$2.2m.

● Adelaide Steamship (Adsteam), the Australian investment company whose listed associates ioclude David Jones, the retailer, and Tooth and Company, the brewer, saw a 55.7 per cent increase in interim profits for the six months to last December 31, to A$15.6m (US$13.3m).

The figure includes equity-accounted earnings of subsidiaries and associates. Exclnding such earnings, Adsteam's profit was A$5.9m, up 37 per cent. The interim dividend has heen raised 1 cent a share to 10 cents a share.

Investment and other Income totalled A$16.8m, up 64 per cent, tax was nil against A$1.3m previously, interest A$8.6m (A$6.3m) and depreciation A$2.5m (A$1.2m). Group turnover was A$157m against A$77.39m previously.

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

INSURANCES

MARKET REPORT

Continued Opec wrangling upsets markets and equities slip back from record levels—Gilts fall with sterling

Account Dealing Dates

Options			
*First Dealings	Declarations	Last Dealings	Account Day
Feb 21	Mar 3	Mar 4	Mar 14
Mar 7	Mar 17	Mar 18	Mar 28
Mar 21	Apr 7	Apr 8	Apr 18

* "New-time" dealings may take place from 9.30 am two business days earlier.

London stock markets lapsed into a state of uncertainty yesterday. Leading equities slipped back from Thursday's all-time records as fears revived over the continuing Opec wrangling to agree a new oil price structure and production quotas. Against this background and marked sterling weakness, Government stocks reacted smartly after the previous session's strong performance and closed a full point down in nervous trading.

British Petroleum's warning that Opec's widely expected new pricing formula was likely to fall apart lent weight to market fears about world oil prices and sterling. Eleventh-hour doubts over next week's Budget and Wall Street's uncertainty about short-term U.S. interest rates were also factors urging a more cautious London investment approach.

Little selling pressure developed on leading shares but values drifted lower in the absence of support. After a half-hearted attempt to recover, quotations closed at the lowest of the day and the FT Industrial Ordinary share index ended 6.9 down at 663.3. Over the week, however, this measure still recorded a gain of 3 points.

Although investors showed a marked reluctance to commit funds to blue chips, demand was again forthcoming for secondary stocks and speculative issues. The latter were again well to the fore and recorded numerous gains. Response to trading announcements was also impressive, while bid situations, actual or rumoured, received considerable attention.

Government stocks followed sterling down. The exchange rate's fall to below $1.50 in the afternoon made the market especially nervous. Around ½ lower initially, long-dated stocks rallied to overnight closing levels before falling back more sharply to close with losses extending to a point and occasionally more. Earlier maturities registered falls ranging to ½. Exchequer 13½ per cent 1987, falling that much to 105½. The FT Government Securities index lost 0.51 to 80.78, but retained a small rise on the week of 0.26.

Midland easier

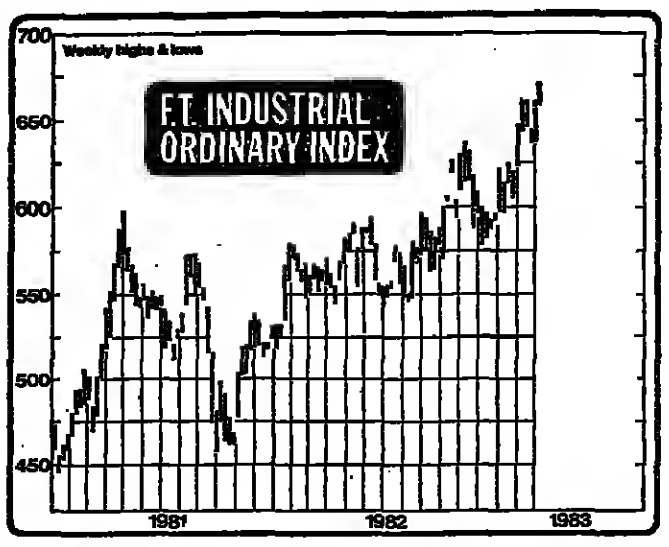
An outstanding week for the major clearing banks ended with quotations drifting easier on sporadic profit-taking. Midland, at 410p, lost 10 of the previous day's jump of 50 which greeted the surprise 8 per cent rise in preliminary profits. Lloyds shed 8 to 512p and Barclays softened 5 to 500p. NatWest, which brings the dividend season to a close on Tuesday, marked time at 592p. Sturla, 1½ better at 7p, encountered revived speculative buying among Hire Purchases.

Leading Breweries displayed modest falls as investors held back awaiting Tuesday's Budget proposals. Grand Metropolitan, 343p, and Bass, 317p, gave up 4 apiece. Increasing views that the overture from Wolverhampton and Dudley will be strongly rejected lifted Davenports 10 more to 290p, some 31 above the value of the proposed shares-and-cash offer terms; W. & D. eased a couple of pence to 288p. Wines and Spirits again featured Matthew Clark; still responding to the excellent interim results, MC advanced 6 for a two-day gain of 34 to 256p.

Marked down initially in line with other equity sectors, Buildings attracted fresh support and picked up to close with modest gains in places. Buying in front of Monday's half-yearly results helped Barratt Developments rise 6 to 550p, while George Wimpey firmed 4 to 156p. McCarthy and Stone, dealt in the Unlisted Securities Market, advanced 20 to 510p following Press comment. Turriff encountered further demand and firmed 8 more to 276p, but profit-taking clipped 4 from Tilbury Group, at 130p. Among Timbers, Magnet and Southerns, a particularly good market recently, met with loose selling and gave up 8 at 188p; the new nil-paid shares lost the same amount at 46p premium.

After opening around 4 lower at 394p, ICI traded quietly and were finally 6 off at 392p. Among other Chemicals, Croda International, a neglected market of late, encountered revived support and touched 110p before closing a net 8 up at 108p.

Overshadowed by Budget uncertainties, leading Stores drifted gently lower. Marks and Spencer were additionally unsettled by publicity given to a broker's downgraded profits forecast and gave up 3 at 198p. British Home shed 4 at 216p. In contrast, dealers reported a useful two-way business in secondary issues. Ward White were active and after opening a shade easier at 80p, rallied smartly on consideration of the purchase of W. & E. Turner from J. Hepworth to close 7 dearer on balance at 92p. Hepworth eased a penny to 140p, after 138p. Renewed speculative support lifted Northern Goldsmiths 6 to 158p and H. Samuel 5 to 106p, while House of Lerose, preliminary results due next Thursday, firmed 5 to 145p. Electrical retailers turned dull with Dixons 9 off at 218p and Comet 7 lower at 278p.



STC advance

Standard Telephone and Cables returned to prominence in the Electrical sector, rising 22 to a 1982/83 peak of 244p on buying fuelled by the company's proposed acquisition of British Airway's high-technology subsidiary, International Aeradio, for almost £60m, and certain businesses from International Telephone and Telegraph of the U.S. Meanwhile, BICC gave up 8 to 280p on profit-taking ahead of the annual figures scheduled for March 23, while GEC closed the same amount down at 204p. Thorn EMI gave up 5 to 492p and Plessey softened 3 to 570p. Elsewhere, Unlisted Security Oceonics jumped 40 to 750p, after 770p, in response to the Board's proposed 100 per cent scrip-issue and application for a full Stock Exchange listing. Kode International, preliminary figures due on Tuesday, touched 348p before closing a net 15 to the good at 335p. Renewed speculative buying lifted Telefusion 7 to 82p and the A shares 6 to 81p. Suter moved up 5 to 59p following late details of the sale of its loss-making Prestcold refrigeration business. Still reflecting talk of encouraging reports emanating from an analysts recent meeting with the company, Arlen added 7 further to 343p.

Hawker, a strong market of late on reports of a chart buy, continued firmly in Engineerings rising 8 more to 396p. Other leaders were dull and TI, 166p, and GKN, 144p, lost 4 and 3 respectively; their preliminary statements are scheduled for next Thursday. Elsewhere, Porter Chadburn, at 85p, lost 7 of the recent speculative rise which followed news that Mr Ian Warrerman's G. M. Firth had a 16.54 per cent stake in the company. Christy Bros reflected poor interim figures with a decline of 2 at 22p.

Interest in leading Foods was generally small, but Rowntree Mackintosh firmed 4 to 238p, after 240p, ahead of next Wednesday's interim results. Cadbury Schweppes, however, continued to reflect disappointment with the preliminary statement and gave up 2 for a two-day fall of 6 to 119p. Tate and Lyle, a good market earlier in the week on the chairman's encouraging statement, held at 294p, retaining a gain on the week of 18. Elsewhere, Nichols (Vimto) continued to attract support and, in a thin market, advanced 15 more to a 1982-83 peak of 480p. Bio-Isolates, on the other hand, encountered selling following cautious Press comment and dipped to 275p before settling 22 down on balance at 288p.

Among Hotels and Caterers, Comfort put on 1½ to 27p on the expansion plans, while Garfunkels Restaurants, after slipping to 110p on the £794,000 rights issue proposal, picked up to close unchanged on balance at 114p.

BOC lower

Miscellaneous industrial leaders gave ground as buyers withdrew awaiting Tuesday's Budget and news from the protracted Opec negotiations. BOC weakened 10 to 204p on talk of gloomy reports emanating from a Brokers' meeting with the company. Beecham gave up 12 to 390p and Pilkington at 215p, lost 8 of the recent good rise which followed suggestions of a pending favourable circular. Profit-taking in the absence of the much-rumoured bid from the U.S. left Rank Organisation 6 easier at 156p. Elsewhere, old bid favourite, BET, touched 268p before closing a net 5 better at 263p on rumours that Town and City Properties had acquired a small stake in the company. Oakwood advanced 14 to 129p in response to Press comment, while Duport gained 3 to 17½p, after 18½p, on chart buying. Demand of a speculative nature lifted London and Liverpool Trust 20 further to 465p and brought gains of 7 and 8 respectively to Hollis Bros and ESA, 58p, and Cowan De Groot, 32p. Still hoping for a detailed statement soon regarding the proposed Turkish adventure with Thorn EMI, Poly Peck improved ½ more to £22½, after £23½. Cornell firmed 5 in sympathy to 175p. Royal Worcester revived with a rise of 12 to 165p and G. W. Sparrow featured late with a gain of 8 at 60p.

Lucas, firm recently on the potential benefits of the BL Maestro, added 4 more at 168p; the interim results are scheduled for the end of the month. In Distributors, Lex Service, annual results due March 25, improved 3 to 218p, while T. C. Harrison closed 4 higher at 98p.

Fleet Holdings, which announced impressive interim results earlier in the week, attracted fresh support and closed 3 dearer for a gain on the week of 11 to 65p.

Percy Bilton, already 18 higher at 280p, moved up to 300p before closing a net 28 up at 290p following the cash and share exchange offer worth 285p per share from Trust Securities; the latter hardened a penny to 100p. Other Properties ended the first leg of the Account on a rather drab note, sporadic selling clipping 5 from Land Securities to 313p and the same amount from MEPC, to 223p. Hammerson "A" lost 10 to 735p and Slough Estates eased 3 to 101p. Rosehaugh cheapened 5 to 245p; the interim results are due next Tuesday. Elsewhere, Bairstow Eves, still reflecting the good annual results and scrip issue proposal, firmed 3 for a gain on the week of 25 to 126p, while revived demand in a thin market lifted Cussins 8 to 170p.

Oils react

After Thursday's good performance on the bright prospect of an Opec agreement, and satisfactory trading statements from three major companies, leading Oils went into reverse. The warning from BP that any Opec agreement might not prevent a price war also had an unsettling effect. Shell, up 18 on Thursday on better-than-expected figures, shed 10 to 438p, while LASMO which announced a £45m rights issue with its figures, closed 11 down at 234p. Ultramar slipped to 465p before closing only 3 easier at 467p. British Petroleum, due to report annual results next Thursday, ended 4 off at 322p, after 318p. Tricentrol came on offer and shed 8 to 154p.

Financials finished the week on a generally subdued note although revived support was noted for Aitken Hume, 17 up at a new 1982-83 peak of 434p, and for Argyle Trust, 4 dearer at 47p.

Shippings, buoyant of late, paused for breath and most finished a couple of pence easier. James Fisher provided a noteworthy exception, however, rising 10 to 115p following the annual results.

The prospective disposal of part of its stake in Interface Flooring Systems continued to buoy Carpets International, which advanced 41 more to 34½p.

Among Plantations, Barlow firmed 4 to 72p in belated response to the full-year figures, but Lawrie, firm recently on the sale of the group's holding in U.S. musical instrument concern Norlin, eased 8 to 500p.

Golds lower

South African Golds ended a generally good week on a less favourable note. The decline in the bullion price, which gave up $12.5 at $422.5 an ounce, prompted fairly widespread, although generally modest selling, of Golds and the Gold Mines index reacted 15.2 to 592.6; this measure retained a rise on the week of 14.4.

Losses among the heavyweights extended to more than a point, as in Randfontein, £86⅝, Southvaal, £21⅛, Western Deep, £35½ and Free State Geduld, £29⅜. Harmony dipped ⅜ to £13½ despite the much-better-than-expected final dividend.

Cheaper-priced Golds were highlighted by East Daggafontein, which advanced 25 to 276p, after a 1982-83 high of 280p; the company recently entered into an agreement with ERGO whereby the latter will investigate the possibility of extracting gold from East Daggafontein's waste dumps. ERGO edged up 4 to 533p.

Financials were mixed. South Africans showed a majority of minor falls and De Beers dipped 3 to 491p ahead of the full-year results, expected next Tuesday. Gencor moved against the overall trend, hardening ¼ to £16½ despite the colourless full-year figures. Profit-taking caused "Amgold" to ease a point to £78½ following the contraction in 1982 earnings.

Sizeable falls in metal prices notably those of copper and gold, coupled with an easier UK equity market, left London-domiciled Financials a little flat.

Gold Fields ran into belated persistent selling after the steep decline in half-yearly profits, announced on Tuesday, and dropped 10 to 487p. Charter were finally 5 off at 228p, after 225p, while RTZ lost 7 to 518p.

Australians were much steadier after the marked weakness earlier in the week on the Labor win in the Federal elections, the 10 per cent devaluation of the Australian dollar and bad economic news.

The leading issues, which bore the brunt of the recent selling, showed small recoveries of between 2 and 5. These were common to CRA, 257p, MIM, 242p, and Western Mining, 240p.

Pancontinental, which were particularly susceptible to the Labor election win because of the party's traditional opposition to uranium mining, rallied 8 to 72p, but remained 8 cheaper over the week.

Hill Minerals recovered 3 to 58p; the company has promised Boyd, Hill's associate, which a near A$10m rights issue. Carr simultaneously announced a rights issue to raise some A$11.4m, held steady at 80p, around 19 lower on the week.

Traded Option operators again showed marked reluctance to deal ahead of next Tuesday's Budget and total contracts done yesterday amounted to only 692—the lowest so far this year. The week's daily average was 1,401.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri March 11 1983 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thur March 10 Index No.	Wed March 9 Index No.	Tue March 8 Index No.	Mon March 7 Index No.	Year ago (approx.) Index No.	1982/83 High	1982/83 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (207)	459.77	-0.6	8.63	3.72	14.50	462.60	456.48	455.65	455.60	371.42	462.60 (10/3/83)	351.14 (14/1/82)	462.60 (10/3/83)	50.71 (13/12/74)
2	Building Materials (23)	451.51	-0.7	9.31	4.26	12.97	454.58	449.34	448.13	441.89	338.82	454.58 (10/3/83)	299.54 (6/1/82)	454.58 (10/3/83)	44.27 (11/12/74)
3	Contracting, Construction (30)	822.62	+0.5	10.76	4.02	11.09	818.31	807.30	810.33	808.94	615.93	822.62 (11/3/83)	529.58 (6/1/82)	822.62 (11/3/83)	71.48 (2/12/74)
4	Electricals (32)	1681.66	-1.4	7.18	2.07	17.85	1705.98	1678.56	1670.89	1684.50	1259.70	1904.92 (11/10/82)	1205.68 (14/1/82)	1904.92 (11/10/82)	84.71 (25/6/62)
5	Engineering, Contractors (10)	440.22	+0.1	15.92	6.79	7.69	439.60	433.21	433.89	431.18	503.94	523.05 (5/2/82)	391.02 (1/2/83)	523.05 (5/2/82)	64.39 (2/1/75)
6	Mechanical Engineering (66)	218.97	+0.3	10.36	5.19	12.06	218.26	216.13	216.31	216.31	194.93	218.97 (11/3/83)	187.11 (6/4/82)	230.26 (24/4/81)	45.43 (6/1/75)
8	Metals and Metal Forming (11)	173.25	-1.3	12.52	7.18	9.59	175.54	172.10	171.86	172.25	166.92	182.98 (29/1/82)	128.49 (5/10/82)	192.29 (4/5/79)	49.65 (6/1/75)
9	Motors (18)	96.50	+0.9	0.56	6.50	—	95.67	94.09	94.15	93.48	98.60	102.40 (3/2/82)	72.33 (4/10/82)	170.59 (15/1/69)	19.91 (6/1/75)
10	Other Industrial Materials (17)	429.28	+0.4	8.19	4.98	15.18	427.65	425.55	425.99	421.54	389.61	429.28 (11/3/83)	337.32 (9/8/82)	429.28 (11/3/83)	277.55 (15/1/81)
21	CONSUMER GROUP (200)	421.87	-0.9	9.96	4.23	12.20	425.57	421.41	422.38	423.52	298.08	425.57 (10/3/83)	265.59 (5/1/82)	425.57 (10/3/83)	61.41 (13/12/74)
22	Brewers and Distillers (23)	460.96	-1.0	10.98	4.65	11.12	465.39	463.19	462.01	469.52	298.20	486.54 (15/2/83)	261.00 (12/1/82)	486.54 (15/2/83)	69.47 (13/12/74)
25	Food Manufacturing (21)	347.83	-0.7	13.12	5.40	8.95	350.37	347.47	349.69	347.87	280.27	350.37 (10/3/83)	255.63 (21/6/82)	350.37 (10/3/83)	59.67 (11/12/74)
26	Food Retailing (14)	881.21	+0.1	7.22	2.75	17.40	880.62	871.09	866.61	867.45	611.16	915.86 (17/11/82)	545.79 (5/1/82)	915.86 (17/11/82)	54.25 (11/12/74)
27	Health and Household Products (8)	748.83	-1.3	5.34	2.43	22.20	759.05	749.66	756.90	749.41	386.47	759.05 (10/3/83)	338.70 (5/1/82)	759.05 (10/3/83)	175.38 (28/5/80)
29	Leisure (24)	519.19	+0.1	7.82	4.62	16.71	518.82	518.60	515.44	515.92	447.19	519.19 (11/3/83)	395.85 (9/7/82)	519.19 (11/3/83)	54.83 (9/1/75)
32	Newspapers, Publishing (13)	736.45	+0.2	8.39	4.39	15.88	734.83	732.33	730.83	729.81	515.40	736.45 (11/3/83)	472.39 (14/1/82)	736.45 (11/3/83)	55.08 (6/1/75)
33	Packaging and Paper (14)	169.06	-0.2	13.78	6.63	8.52	169.46	165.55	164.07	164.10	145.91	170.70 (17/2/83)	130.74 (5/1/82)	170.70 (17/2/83)	43.46 (6/1/75)
34	Stores (47)	365.94	-1.0	8.27	3.76	16.03	369.70	369.12	369.87	371.36	272.18	397.17 (19/11/82)	238.02 (5/1/82)	397.17 (19/11/82)	52.63 (6/1/75)
35	Textiles (22)	201.71	-0.6	12.66	5.53	9.46	203.00	200.87	201.68	201.10	173.31	203.00 (10/3/83)	152.91 (5/1/82)	295.72 (17/1/67)	62.66 (11/12/74)
36	Tobaccos (3)	456.54	-2.0	19.19	6.07	5.82	465.94	445.12	450.54	457.98	310.67	516.31 (3/2/83)	251.28 (6/1/82)	516.31 (3/2/83)	94.34 (13/6/62)
39	Other Consumer (11)	387.67	+0.7	5.11	3.64	—	384.88	385.99	386.09	383.16	285.55	387.67 (11/3/83)	247.87 (1/1/82)	387.67 (11/3/83)	229.84 (28/9/81)
41	OTHER GROUPS (79)	335.75	-0.7	9.21	4.91	13.36	338.23	333.03	332.22	330.84	257.46	338.23 (10/3/83)	228.88 (5/1/82)	338.23 (10/3/83)	58.63 (6/1/75)
42	Chemicals (15)	429.43	-1.7	9.27	5.63	13.46	436.82	432.77	430.85	426.34	343.72	436.82 (10/3/83)	297.89 (5/1/82)	436.82 (10/3/83)	71.20 (1/12/74)
44	Office Equipment (6)	110.79	-1.6	7.96	4.87	16.17	112.59	104.81	104.11	104.59	130.58	131.88 (29/1/82)	78.52 (22/12/82)	246.06 (1/9/72)	45.34 (2/1/75)
45	Shipping and Transport (14)	621.94	—	13.73	6.84	8.73	622.16	606.89	609.81	615.11	566.70	622.16 (10/3/83)	496.46 (10/12/82)	644.76 (24/4/81)	90.80 (29/6/62)
46	Miscellaneous (44)	480.83	+0.1	8.29	3.86	14.71	480.53	474.99	474.16	470.36	320.81	480.83 (11/3/83)	289.92 (5/1/82)	480.83 (11/3/83)	60.39 (6/7/75)
49	INDUSTRIAL GROUP (486)	424.29	0.8	9.40	4.15	13.07	427.55	422.54	422.64	422.85	317.95	427.55 (10/3/83)	289.79 (5/1/82)	427.55 (10/3/83)	59.01 (13/12/74)
51	Oils (14)	739.42	1.7	17.11	7.90	10.06	751.87	725.05	719.12	727.34	638.24	792.72 (22/10/82)	627.13 (10/3/82)	1065.24 (19/11/80)	87.23 (29/5/62)
59	500 SHARE INDEX	450.31	-0.9	10.49	4.68	12.54	454.36	447.48	447.07	447.97	344.15	454.36 (10/3/83)	324.63 (12/1/82)	454.36 (10/3/83)	63.49 (13/12/74)
61	FINANCIAL GROUP (121)	314.75	-0.6	—	5.65	—	316.52	311.86	311.21	309.24	263.04	316.52 (10/3/83)	238.23 (28/6/82)	316.52 (10/3/83)	55.88 (13/12/74)
62	Banks (6)	353.67	-0.9	26.52	6.78	4.11	356.79	344.07	345.18	333.89	289.17	356.79 (10/3/83)	249.31 (4/10/82)	356.79 (10/3/83)	62.44 (12/12/74)
63	Discount Houses (8)	306.86	+1.5	—	7.95	—	302.35	301.61	299.10	298.99	240.20	334.35 (14/10/82)	211.15 (7/1/82)	334.35 (14/10/82)	81.40 (10/12/74)
65	Insurance (Life) (9)	389.36	-0.8	—	4.94	—	392.40	387.64	382.78	385.60	260.46	393.33 (15/2/83)	243.18 (12/1/82)	393.33 (15/2/83)	44.88 (2/1/75)
66	Insurance (Composite) (10)	196.75	-0.4	—	7.34	—	197.50	196.59	195.88	197.23	167.98	206.80 (31/1/83)	147.23 (20/5/82)	206.80 (31/1/83)	43.96 (13/12/74)
67	Insurance Brokers (7)	572.73	-0.5	11.66	5.01	11.88	575.46	578.38	567.53	574.80	457.05	584.97 (20/10/82)	410.59 (13/1/82)	584.97 (20/10/82)	65.86 (16/12/74)
68	Merchant Banks (13)	162.11	+0.2	—	5.33	—	161.79	161.10	161.35	162.08	146.25	170.12 (8/2/83)	128.79 (5/7/82)	278.57 (1/5/72)	31.21 (7/1/75)
69	Property (54)	471.89	-0.6	5.47	3.80	24.14	474.97	473.40	474.08	470.75	464.39	474.97 (10/3/83)	378.29 (26/11/82)	517.77 (2/4/81)	56.01 (20/4/65)
70	Other Financial (14)	250.47	-0.1	11.13	4.71	10.66	250.64	243.30	244.03	244.62	181.11	250.64 (10/3/83)	157.25 (16/8/82)	303.18 (18/5/72)	33.29 (17/12/74)
71	Investment Trusts (109)	415.35	+0.2	—	4.11	—	412.52	408.68	412.25	414.60	299.30	415.13 (4/3/83)	283.53 (6/1/82)	415.13 (4/3/83)	71.63 (13/12/74)
81	Mining Finance (4)	252.82	-1.6	7.25	5.62	19.26	257.05	253.49	255.19	253.35	200.24	278.63 (11/2/83)	169.40 (21/6/82)	296.26 (14/8/81)	66.31 (30/9/74)
91	Overseas Traders (16)	438.75	-0.4	9.29	8.29	15.33	440.67	438.10	438.10	439.58	387.60	449.73 (9/2/83)	327.29 (21/6/82)	488.51 (18/5/81)	97.37 (6/1/75)
99	ALL-SHARE INDEX (750)	416.47	-0.8	—	4.86	—	419.75	413.62	413.47	413.75	323.30	419.75 (10/3/83)	306.22 (12/1/82)	419.75 (10/3/83)	61.92 (13/12/74)

FIXED INTEREST

	PRICE INDICES	Fri March 11	Day's change %	Thur March 10	xd adj. today	xd adj. 1983 to date
	British Government					
1	5 years	117.12	-0.20	117.36	—	1.97
2	5-15 years	128.76	-0.74	129.72	—	2.58
3	Over 15 years	137.09	-0.81	138.21	—	2.71
4	Irredeemables	146.07	-0.74	147.17	—	1.62
5	All Stocks	127.54	-0.61	128.33	—	2.33
6	Debentures and Loans	101.83	+0.18	101.65	—	1.97
7	Preference	78.54	+0.77	77.74	—	1.81

	AVERAGE GROSS REDEMPTION YIELDS		Fri March 11	Thur March 10	Year ago (approx.)	1982/83 Highs	1982/83 Lows
	British Government						
1	Low	5 years	9.85	8.97	12.36	13.49 (5/1/82)	7.89 (2/11/82)
2	Coupons	15 years	10.30	10.23	12.84	14.28 (5/1/82)	9.25 (11/11/82)
3		25 years	10.30	10.23	12.59	14.17 (12/1/82)	9.47 (2/11/82)
4	Medium	5 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5	Coupons	15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6		25 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7	High	5 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8	Coupons	15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
9		25 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
10	Irredeemables		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
11	Debs & Loans	5 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
12		15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
13		25 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
14	Preference		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Other Industrial Materials	31/12/80	287.41	Other Financial	31/12/70	128.06
Other Consumer	31/12/80	238.14	Food Manufacturing	29/12/67	114.13
Health/Household Prods.	30/12/77	261.77	Food Retailing	29/12/67	114.13
Other Groups	31/12/74	63.75	Insurance Brokers	29/12/67	96.67
Overseas Traders	31/12/74	100.00	Mining Finance	29/12/67	100.00
Engineering Contractors	31/12/71	153.84	All Other	10/4/62	100.00
Mechanical Engineering	31/12/71	153.84	British Government	31/12/75	100.00
Office Equipment	16/1/70	162.74	Debs. & Loans	31/12/77	100.00
Industrial Group	31/12/70	128.20	Preference	31/12/77	76.72

† Flat yield. A new list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 28p.

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. date	1982/3 High	1982/3 Low	Stock	Closing price p	+ or –	Net Div.	Times Covered	Gross Yield	P.E. Ratio
140	F.P.	—	146	132	Airship Inds.	158xr		—	—	—	—
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1982/3 High	1982/3 Low	Stock	Closing price £	+ or –
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date	1982/3 High	1982/3 Low	Stock	Closing price p	+ or –
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. [illegible]

FINANCIAL TIMES STOCK INDICES

	Mar. 11	Mar. 10	Mar. 9	Mar. 8	Mar. 7	Mar. 4	year ago
Government Secs.	80.78	81.32	80.55	80.30	80.76	80.52	66.50
Fixed Interest	82.42	82.70	81.78	81.67	81.88	81.49	69.98
Industrial Ord.	663.3	670.2	664.9	664.6	666.1	660.5	556.2
Gold Mines	592.6	607.8	584.6	*583.4	608.8	578.3	219.6
Ord. Div. Yield	4.84	4.79	4.83	4.83	4.88	4.86	5.64
Earnings, Yld.% (full)	10.17	10.07	10.15	10.14	10.13	10.22	10.36
P/E Ratio (net) (*)	11.88	12.00	11.91	11.92	11.92	11.82	11.55
Total bargains	25,078	24,085	24,893	26,166	24,491	25,778	26,308
Equity turnover £m.	—	278.13	207.65	262.81	213.17	314.82	151.72
Equity bargains	—	23,528	19,046	21,656	20,862	24,352	19,330
Shares traded (ml)	—	171.5	126.0	148.8	132.0	197.6	115.0

10 am 668.1. 11 am 666.2. Noon 664.8. 1 pm 665.5. 2 pm 664.0. 3 pm 664.0.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/10/55. SE Activity 1974.

Latest Index 01-246 8026.

Nil=11.11.

HIGHS AND LOWS

	1982/3 High	1982/3 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	85.94 (5/11)	61.69 (6/1/82)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	87.02 (12/11)	62.79 (7/1/82)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	670.2 (10/3/83)	518.1 (5/1/82)	670.2 (10/3/83)	49.4 (26/6/40)
Gold Mines	734.7 (15/2/83)	181.2 (22/6)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Mar. 10	Mar. 9
Daily		
Gilt Edged Bargains	177.2	168.8
Equities Bargains	146.0	122.4
Value	582.2	412.7
5-day Avrge.		
Gilt-Edged Bargains	178.8	174.5
Equities Bargains	140.1	139.8
Value	511.6	517.2

LEADERS AND LAGGARDS

Percentage changes since December 31 1982 based on Thursday, March 10 1983

Office Equipment	+ 39.09	Mechanical Engineering	+ 12.78
Banks	+ 28.85	Contracting, Construction	+ 11.89
Motors	+ 23.59	Leisure	+ 11.79
Packaging and Paper	+ 20.01	Insurance (Life)	+ 9.92
Shipping and Transport	+ 19.42	All-Share Index	+ 9.82
Metals and Metal Forming	+ 18.89	Gold Mines Index	+ 9.22
Textiles	+ 18.41	Mining Finance	+ 8.87
Financial Group	+ 18.13	Food Manufacturing	+ 8.44
Other Industrial Materials	+ 17.87	Industrial Group	+ 7.78
Insurance Brokers	+ 17.46	Capital Goods	+ 7.72
Newspapers, Publishing	+ 17.22	500 Share Index	+ 7.71
Other Groups	+ 16.19	Oils	+ 7.29
Other Consumer	+ 15.13	Merchant Banks	+ 6.29
Investment Trusts	+ 15.15	Consumer Group	+ 5.88
Property	+ 14.94	Tobaccos	+ 4.78
Health and H'sehold Products	+ 14.49	Discount Houses	+ 3.89
Overseas Traders	+ 13.11	Brewers and Distillers	+ 3.38
Insurance (Composite)	+ 13.03	Food Retailing	+ 2.45
Building Materials	+ 12.98	Engineering Contractors	+ 1.86
Chemicals	+ 12.83	Electricals	+ 0.47
		Stores	− 2.51

RISES AND FALLS

	Yesterday Rises	Yesterday Falls	Yesterday Same	On the week Rises	On the week Falls	On the week Same
British Funds	5	82	10	161	230	104
Corpns. Dom. and Foreign Bonds	27	35	28	95	74	216
Industrials	283	280	786	1,789	1,064	3,792
Financial and Props.	129	88	319	729	410	1,446
Oils	10	36	64	140	118	292
Plantations	3	6	14	17	20	73
Mines	34	60	57	222	225	308
Others	30	54	58	280	250	259
Totals	521	610	1,332	3,433	2,391	6,490

NEW HIGHS AND LOWS FOR 1982/83

NEW HIGHS (137)

AMERICANS (7)

CANADIANS (4)

BANKS (1)

Allied Irish

BEERS (1)

Clark (M.)

BUILDINGS (17)

Arncliffe, RMC, Beechwood, Redland, Blockleys, Do. Warrants, Countryside, Roberts Adlard, Dunton, Smart (J.), Jones (E.), Travis & Arnold, Lilley (F. J. C.), Turriff, Marchwiel, Wimpey (G.), Nottingham Brick

CHEMICALS (4)

Coates Brothers, Croda Int., Plysu, Do. Defd.

STORES (5)

Caird (A.), Stead & Simpson A, Habitat, Ward White, House of Lerose

ELECTRICALS (9)

Cambridge Elec., Standard Telephones, Emess, Thorn EMI 7pc, Fidelity Radio, Unitech, Kode Int., Utd. Electronic, Memec

INDUSTRIALS (23)

AGB Research, Marley, Astbury & Madeley, Monsanto 5pc, BET Defd., Nu-Swift, Black (P.), Oakwood, Booker McConnell, Oriflame, British Syphon, P.H. Inds., Duport, Parker-Knoll A, Evode, Security Services, Hollis Brothers, Sketchley, J.C. Inds., Steetley, LRC, Whatman Reeve Ang., Manch. Ship Canal

ENGINEERING (4)

APV, Hall (M.), Cartwright, Hawker Siddeley

FOODS (3)

Linfood, Rowntree Mackintosh, Nichols (Vimto)

HOTELS (2)

Prince of Wales, Savoy A

INSURANCES (2)

Allianz Vers., Refuge

LEISURE (1)

Leisure Inds.

MOTORS (3)

Alexanders, Lex Service, Harrison (T. C.)

NEWSPAPERS (4)

Assoc. Book, Fleet Hldgs., Daily Mail A, Home Counties

PAPER (5)

Assoc. Paper, Saatchi & Saatchi, Good Relations, Watmoughs, Ogilvy & Mather

PROPERTY (8)

Bilton (Percy), Greencoat, Country & New Town, Laing Props, Cussins, Second City Props, Dares Ests., Standard Secs.

TEXTILES (5)

Carpets Int., Parkland A, Corah, Sola Viscosa, Lyles (S.)

TRUSTS (29)

OIL & GAS (1)

Royal Dutch

OVERSEAS TRADERS (1)

Jacks (Wm.)

MINES (2)

East Dagga., Pahang

NEW LOWS (2)

ENGINEERING (1)

Neepsend

NEWSPAPERS (1)

Sharpe (W. N.)

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change	Stock	Closing price	Day's change
BET Defd.	263	+ 5	LASMO	234	−11
Bilton (P.)	290	+28	Lucas Inds.	168	+ 4
Carpets Int.	34½	+ 4½	Rowntree - Mackintosh	238	+ 4
Cons. Gold Fields	487	−10	Shell Transport	438	−10
East Daggs	276	+25	Standard Telephones	244	+22
Hollis Bros.	58	+ 7	Ward White	92	+ 7

5-DAY ACTIVE STOCKS

Based on bargains over the five-day period ending Thursday

Stock	No. of changes	Thurs. close	Change on week	Stock	No. of changes	Thurs. close	Change on week
Lon. & Liv. Tst.	133	445	+10	Cons Gld Fields	90	497	−10
ICI	111	398xd	+18	Arlen Elec.	89	336	+15
BSR	110	88	+21	BAT Inds.	88	670	+13
Bio-Isolates	108	310	−10	GEC	88	212	+ 2
Mellins	107	178	−21	Lloyds Bank	87	520	+48
LASMO	96	245	− 2	Beecham	85	402	+20
Barclays Bank	95	505	+37	Unilever	85	840	+55

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of changes	Thurs. close	Day's change	Stock	No. of changes	Thurs. close	Day's change
Midland Bank	27	420	+50	Shell Trans.	17	448	+18
Lon. & Liv. Tst.	21	445	+35	Barclays Bank	15	505	+ 8
Std. Chartered	20	493	+20	BSR	15	88	—
Glaxo	18	897	+12	Lloyds Bank	15	520	+16
LASMO	18	245	+17	ICI	14	398	+ 4
BAT Inds.	17	670	+40	Polly Peck	14	£22	+ 3
Sedgwick	17	270	− 3	Sound Diff.	14	302	+12

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Feb 28	Mar 11	June 2	June 13
Mar 14	Mar 25	June 16	June 27
Mar 28	Apr 8	June 30	July 11

For rate indications see end of Share Information Service

Money was given for the call of Hampton Gold Mining Areas, Cons Gold Fields, Goodman Bros, Sturla, Laganvale Estates, Turner and Newall, Sound Diffusion, New Throgmorton Warrants, Kenning Motor, Cornell, Tilbury, Vinten, Generale Orientale, ICI, GEC, Lasmo, Polly Peck, London and Liverpool, Standard Telephone and Cable and Imperial Continental Gas. Puts were taken out in Polly Peck, John Laing and Midland Bank, while doubles were arranged in Standard Telephone and Cable and Combined Technologies.

هكذا صدر الأصل

INSURANCE & OVERSEAS MANAGED FUNDS

Barclays Life Assur. Co. Ltd.—cont.

Income Accum.	106.6	112.4	−0.2	—
Do. Initial	105.6	111.2	−0.2	—
Man. Pens. Accum.	225.2	237.1	.....	—
Do. Initial	190.9	200.9	.....	—
Gilt-Edg. Pens. Accum.	196.4	206.8	.....	—
Do. Initial	139.9	148.4	.....	—
Money Pens. Accum.	176.2	185.5	.....	—
Do. Initial	145.0	152.7	.....	—

Black Horse Life Ass. Co. Ltd.
71, Lombard St., EC3. 01-623 1288

Black Horse Man. Fd.	220.02		.....	—
Managed Inv. Fd.	149.52	157.39	.....	—
Property Fd.	145.74	153.42	.....	—
Fixed Interest Fd.	136.67	143.86	.....	—
Cash Fd.	131.76	138.70	.....	—
Income Fd.	134.17	142.29	.....	—
Exmp Income Fd.	142.35	149.85	.....	—
Worldwide Growth Fd.	201.45	212.06	.....	—
Balanced Fd.	162.10	170.64	.....	—
Small Co's & Recy. Fd	198.48	208.72	.....	—
Int. Technology Fd.	233.16	245.44	.....	—
Nth. Amer. & Gen. Fd.	149.65	157.32	.....	—
Energy Int. Fd.	89.48	94.19	.....	—
Pacific Basin Fund	118.97	125.24	.....	—

British National Life Assurance Co. Ltd.
Harlands Rd, Haywards Heath. 0444-414111

Equity		100.4	+0.4	—
International	111.6	117.4	+2.1	—
Property	106.6	112.2	+1.1	—
Deposit	96.7	101.1	+0.1	—
Fixed Interest	95.3	100.4	+1.2	—
Managed	102.9	108.3	+1.3	—
Equity Pens Cap.	94.3	99.8	+0.4	—
Intnl. Pens. Cap.	115.5	121.5	+2.8	—
Property Pens Cap	109.3	115.0	+1.4	—
Deposit Pens Cap	95.6	100.6		—
Fixed Int Pens Cap.	94.9	99.9	+1.4	—
Managed Pens Cap.	104.3	109.8	+2.2	—

Canada Life Group
2-6, High St., Potters Bar, Herts. P. Bar 51122

Equity Gth March 1		85.2	.....	—
Retmt. Fed. Feb 8		224.8	.....	—
Managed Pen Fund	162.3	170.8	.....	—
Property Pen Fund	111.0	115.8	.....	—
Index Lnkd Pen Fund	119.5	125.8	.....	—
Managed	109.5	115.3	−0.5	—
Property	97.8	103.0	.....	—
Gilt and Fixed Interest	98.5	105.7	−0.5	—
Index-Linked	103.3	108.8	+0.2	—
Equity	111.7	117.6	−0.3	—
Cash	98.6	103.8	−1.8	—
Midland Bk. Unit Tst.	107.3	113.0	−0.1	—
Midland Bank Intnl.	127.0	133.7	+0.3	—

Cannon Assurance Ltd.
1 Olympic Way, Wembley HA9 0NB. 01-902 8876

G.T. Management Ltd.
16 Finsbury Circus, Lond. EC2M 7DJ. 01-628 8131

G.T. Plan Bond Fund	123.5	130.0	+1.2	—
GT Pln High Yld Fnd	110.9	116.8	+0.6	—
GT Plan Far East Fnd	97.3	102.5	−0.3	—
GT Pln N Am Fund	150.1	158.1	−0.5	—
GT Pln UK&G.E. Fnd	127.3	134.1	+1.2	—
GT Pln Wrldwde Fnd.	121.0	127.4	−0.4	—
GT Pension Bnd Fnd.	130.2	137.1	+1.1	—
GT Pen High Yld Fd	124.8	131.4	+0.8	—
GT Pen Far East Fd	106.3	111.9	−0.4	—
GT Pen N. Am. Fd	193.5	203.7	−0.2	—
GT Pen UK & G.E. Fd	141.6	149.4	+1.4	—
GT Pen Worldwide Fd.	128.5	135.3	−0.4	—

Assicurazioni GENERALI S.p.A.
117, Fenchurch St., EC3M 5DY. 01-488 0733

Intl. Managed Bond	161.50	169.79	+2.49	—

General Portfolio Life Ins. C. Ltd.
Crossbrook St., Cheshunt, Herts. Waltham X 31971

Portfolio Fd. Acc.		228.3	.....	—
Portfolio Fd. Init.		193.8	.....	—
Portfolio Fd. Cap.		220.6	.....	—
Investment A uts	228.2	240.3	.....	—

Growth & Sec. Life Ass. Soc. Ltd.
48, London Fruit Exchange, E1 6EU 01-377 1122

Flexible Finance		1,413	.....	—
Landbank Secs.		62.7	.....	—
Landbank Scs. Acc.	172.4	176.8	.....	—
G. & S. Super Fd.		£10.638	.....	—

Guardian Royal Exchange
Royal Exchange, E.C.3. 01-283 7101

Guardian Assurance

Property Bonds	298.7	311.1	.....	—

GRE Linked Assurance Limited

Managed Initial	191.7	201.8	+0.5	—
Do. Accum.	209.9	221.0	+0.5	—
Equity Initial	239.5	252.1	+0.8	—
Do. Accum.	262.3	276.1	+0.9	—
Fixed Int. Initial	184.8	194.6	+0.6	—
Do. Accum.	202.4	213.1	+0.6	—
International Initial	194.6	204.9	−0.6	—
Do. Accum.	213.1	224.4	−0.6	—
Property Initial	122.2	128.6	.....	—
Do. Accum.	133.7	140.7	.....	—
Deposit Initial	120.2	126.5	.....	—
Do. Accum.	131.7	138.6	+0.1	—

GRE Pensions Management Ltd.

Pens. Managed Initial	186.6	196.5	+0.4	—
Pens. Managed Acc.	199.8	210.3	+0.4	—
Pens. Equity Initial	232.5	244.8	+0.8	—
Pens. Equity Acc.	248.9	262.0	+0.8	—
Pens. Fxd. Int. Initial	182.6	192.3	+0.3	—
Pens. Fixed Int. Acc.	195.5	205.8	+0.3	—
Pens. Int'l Initial	179.4	188.9	−0.4	—
Pens. Int'l. Acc.	192.0	202.1	−0.4	—
Pens. Prop. Initial	122.6	129.0	.....	—
Pens. Prop. Acc.	131.1	138.0	.....	—
Pens. Depos. Initial	131.3	138.2	.....	—
Pens. Depos. Acc.	140.5	147.9	.....	—

Hambro Life Assurance P.L.C.

London A'deen & Nthn. Mtl. Assur. Ltd.
129 Kingsway, London, WC2B 6NF. 01-404 0393

'Asset Builder'	60.9	64.1	.....	—

London Indemnity & Gnl. Ins. Co. Ltd
18-20, The Forbury, Reading 583511.

Money Mngr Mar 3	55.8	59.8	.....	—
MM Flexible Mar 3	47.7	50.3	.....	—
Fixed Interest Mar 1	52.3	55.1	.....	—

London Life Linked Assur. Ltd.
100, Temple St., Bristol, BS1 6EA. 0272-279179

Equity	212.4	218.7	.....	—
Fixed Interest	154.1	154.8	.....	—
Property	158.7	163.4	.....	—
Deposit	137.9	137.9	.....	—
Mixed	180.4	183.9	.....	—
Indexed Stk.	113.4	113.9	.....	—

London Life Managed Funds Ltd.

Equity (P.)	149.2	154.4	.....	—
Fixed Int. (P.)	154.8	155.9	.....	—
Property (P.)	116.7	120.7	.....	—
Deposit (P.)	115.3	115.3	.....	—
Mixed (P.)	141.6	145.1	.....	—
Indexed Stock (P.)	119.4	120.2	.....	—

London & Manchester Gp.
Winslade Park, Exeter EX5 1DS. 0392 52155

Property Growth Assur. Co. Ltd.
Leon House, Croydon CR9 1LU. 01-680 0606

Property Fund		282.0	.....	—
Property Fund (A)		274.8	.....	—
Agricultural Fund		1052.7	.....	—
Agric. Fund (A)		1026.8	.....	—
Abbey Nat. Fund		223.2	.....	—
Abbey Nat. Fd. (A)		222.4	.....	—
Investment Fund		130.3	.....	—
Investment Fund (A)		128.5	.....	—
Equity Fund		391.7	−1.4	—
Equity Fund (A)		385.5	−1.4	—
Money Fund		207.0	+0.3	—
Money Fund (A)		203.5	+0.3	—
Actuarial Fund		201.0	.....	—
Gilt-edged Fund		183.2	−0.9	—
Gilt-Edged Fd. (A)		183.2	−0.9	—
Retire Annuity		142.7	.....	—
Immed. Ann'ty		194.8	.....	—
International Fd.		236.7	.....	—

Property Gth Pens & Annuities Ltd

All Wther Ac. Uts.	237.4	250.0	.....	—
Inv. Fd. Uts.		266.8	.....	—
Pension Fd. Uts		238.0	.....	—
Conv. Pens. Fd.		268.8	.....	—
Cnv. Pns. Cap. Ut.		205.5	.....	—
Man. Pens. Fd.		310.0	.....	—
Man. Pens. Cap. Ut.		246.0	.....	—
Prop. Pens. Fd.		267.6	.....	—
Prop. Pens Cap. Uts.		207.2	.....	—
Bldg. Soc. Pen. Ut.		238.3	.....	—
Bldg. Soc. Cap. Ut.		186.9	.....	—

Standard Life Assurance Company
3 George St., Edinburgh EH2 2XZ. 031-225 2552.

Managed	188.8	198.8	−0.3	—
Property	142.6	150.2	.....	—
Equity	213.5	224.8	+0.2	—
International	203.2	213.9	−1.5	—
Fixed Interest	157.7	166.1	−0.2	—
Index Linked	102.6	108.1	+0.1	—
Cash	126.3	133.0	.....	—
Pension Managed	214.7	226.0	−0.6	—
Pension Property	142.9	150.5	.....	—
Pension Equity	244.0	256.9	−0.2	—
Pension Intl.	236.7	249.2	−2.0	—
Pension Fxd. Int.	163.8	172.5	−0.1	—
Pension Index Linked	103.9	109.4	+0.1	—
Pension Cash	139.6	147.0	+0.1	—

Sun Alliance Insurance Group
Sun Alliance House, Horsham. 0403 64141

Index Linked Fund	108.9	114.7	+0.2	—
Equity Fund	282.8	297.7	+0.6	—
Fixed Interest Fund	186.1	195.9	−0.8	—
Property Fund	205.1	215.9	−5.6	—
International Fd.	168.7	177.6	+0.1	—
Deposit Fund	139.7	147.1	.....	—
Managed Fund	225.0	236.9	.....	—
Intl. Bond Mar 8	$20.01	—	.....	—

Individual Pension Funds

Index Linked	129.1	135	+0.2	—
Equity	136.5	143.7	−0.3	—
Fixed Int.	149.7	157.6	−1.3	—

Barclays Unicorn International
1, Charing Cross, St. Helier, Jersey. 0534 73741

Unigilt Trust	£44.5	46.9	+0.7	11.20
Unidollar Trust	$14.13	15.14	+0.14	2.80
Unibond Trust	$94.01	94.77	.....	10.80

1, Thomas St, Douglas, Isle of Man 0624 4856

Uni-Australian Tst.	57.5	61.6	.....	1.90
Uni-Aust. Mineral Tst.	48.9	52.6	.....	2.10
Uni-Pacific Trust	132.4	142.4	.....	—
Uni-International Tst.	62.2	66.9	.....	1.6

Bishopsgate Commodity Ser. Ltd.
P.O. Box 42, Douglas, I.o.M. 0624-29911

ARMAC* Mar 7	$60.36	64.18	.....	—
COUNT** Mar 7	£3.784	4.013	.....	1.30
CANRHO** Mar 7	£2.202	2.335	.....	—
MAPSA* Jan 5	$10.55	11.22	.....	—

Original issue *$10 and **£1. Next val. Apr 5.

Bridge Management Ltd.
GPO Box 590, Hong Kong

N'bashi Feb 28		Y31,231	.....	—
Nippon Fd Mar 9	$23.75	24.78	.....	1.19

Britannia Intl. Investment Mngmt. Ltd.
Box 271, Queensway House, Queen Street, St. Helier, Jersey C.I. 0534-73114

U.S. Dollar Denominated Funds:

AmSmallerCos.Fd.(z)	$2.028	2.181	−0.01	—
Dollar Inc Fd (z)	$0.804	0.860	−0.05	12.00
$ Mngd Curr'cy Fd (z)	$9.86	10.38	−0.01	5.40

Hambros Fd. Mgrs. (C.I.) Ltd.
P.O. Box 86, Guernsey. 0481-26521

Capital Reserve Fund	£16.05	16.06	.....	0.22
C.I. Fund	314.4	334.8	.....	2.46
Special Sits. Fund	£1.167	1.220	.....	2.27
Sterling Income Fund*	110.9	115.9	.....	12.94
Dollar Income Fund	$1.067	1.114	.....	12.12
Trans. Nat. Trust	$1.123	1.172	.....	2.56
Intnl. Bond	$106.16	111.72	.....	9.67
Int. Equity	$19.15	20.14	.....	1.79
Int. Svgs. 'A' $US	$1.62	1.70	.....	—
Int. Svgs. 'B'	$2.12	2.29	.....	—
Galleon Ass. Fund 'A'	$1.081	1.085	.....	—
Galleon Ass. Fund 'B'	$1.209	1.236	.....	—
Amer Spec Accts.	$1.02	1.08	.....	—

Henderson Admin. & Man. (Guernsey)
PO Box 71, St. Peter Port, Guernsey 0481 26541

American (US cents)	172.4	183.4	.....	—
Ntrl. Res. (U.S. cents)	125.7	133.7	.....	—
Gilt Fund	£10.53	11.14	.....	11.20
Prime Res. Props.	94.0	100.0	.....	—

Henderson Baring Group
1901, Edinburg Tower, Hongkong.

Australia	$6.96	7.50	−0.39	—
Hong Kong	$13.61	14.59	+0.35	—
Japan Tech.	$19.20	20.52	.....	—
Japan Fund	$28.16	30.09	.....	—
Malay Sing.	£20.07	21.61	.....	—
Pacific Fd.	$12.168	12.776	.....	—
Bond Fd.	$11.380	11.949	.....	10.09

Hill-Samuel & Co. (Guernsey) Ltd.
8 LeFebvre St., St. Peter Port, Guernsey, C.I.

Guernsey Tst.	261.5	279.7	−1.0	2.70

Hill Samuel Investment Mgmt. Intnl.
P.O. Box 63, Jersey. 0534 76029

UK Equities (C.I. Fd.)	178.0	190.5	.....	3.50
UK Gilt (Jy. Fxd. Int.)	106.0	112.0	.....	10.0
Int. Man. (Growth Fd.)	148.2	156.5	.....	—

Int. Currency Fund

D. Mark		DM41.68	+0.01	—
£ Sterling		£10.70	+0.01	—
Swiss Franc		SF35.36	.....	—
U.S. $		$21.40	+0.01	—
Managed Fund	£11.74	12.21	+0.08	—

Case 2622, Berne, Switzerland. Telex 33425.

H S Overseas Fd.	$27.33	28.42	−0.13	—
Balanced (CSF Fund)	SF21.65	22.99	+0.09	—
Crossbow	SF6.28	6.67	+0.04	—
Technology (ITF Fd).	$15.25	16.21	+0.06	—

HK Fund Managers (Jersey) Ltd.
Queens Hse, Don Rd, St Helier, CI. 0534 71460

HK Gilt Fund Acc.	113.0	117.0	+1.0	—
HK Gilt Fund (Dist.)	106.0	111.0	+2.0	11.71

I.C. Trust Managers Ltd.
10, St. Georges St., Douglas, IoM 0624 25015

Int. Commodities Tst.	125.0	132.9	.....	—

Next dealing day April 6.

IGF Management Services Inc.,
c/o Registrars, P.O. Box 1044, Cayman Is., BWI.

Interntl. Gold Fund	$144.73	151.97	.....	2.91

N.V. Interbeheer

Quilter/Heinold Commodities
31-45, Gresham Street, EC2V 7LH. 01-600 4177

Resc Fd Int Mar 1	$1.6046	[illegible]	.....	1.87

Next dealing date April 5.

Richmond Life Ass. Ltd.
4 Hill Street, Douglas, I.O.M. 0624 23914

Coin Trust	52.9	56.7	.....	—
Diamond Bond	74.5	79.9	.....	—
Gemstone Trust	127.4	136.5	.....	—
Gold Bond	279.7	297.3	−6.0	—
Managed Fund	108.1	116.5	.....	—
Petroman Oil Trust	59.1	62.2	.....	—
Do. $	0.910	0.958	.....	—
Silver Trust	265.0	280.3	−5.8	—
Sterling Deposit Bd.	161.61	170.12	+0.04	10.92
UK Gilt Fund	159.9	170.0	+3.8	—

Rothschild Asset Management (C.I.)
St Julian's Ct, St Peter Pt. Guernsey. 0481 27042

OC American Fd*	$3.31	3.52	.....	1.26
OC Sm Co***	172.2	183.1	.....	1.51
OC Commodity†	109.8	116.8	.....	2.40
OC Dir Comdty*	$34.99	37.22	.....	2.50
OC HongkgFd††	$33.32	35.31	.....	—

OC Intnl. Reserves Ltd. 0481 26741-26331

See Currencies Page Mon-Fri and Stock Exchange Dealings Page Sat.

*Prices Mar 7. Next dealing Mar 21. †Prices Feb 28. Next dealing March 14. ***Feb 28. Next dealing March 15.

††Dealings every Wednesday.

Royal Bank of Canada Funds
RBC Invest Managers Ltd
PO Box 246, St Peter Port, Guernsey 0481 23021

Intl Income Fd	$10.10	10.75	.....	—
Intl Capital Fd.	$12.92	14.00	+0.21	—
North America Fd	$5.92	6.40	.....	—

RBC Intl Currencies Fd Ltd

U.S.$	—	$20.40	.....	—
Canadian $	—	C$25.54	.....	—
£ Sterling	—	£10.24	.....	—
D-Mark	—	DM50.57	.....	—
Swiss Francs	—	SF40.22	.....	—
Japense yen	—	Y6,077	+2.0	+1.0
Managed Fund	—	$20.58	+0.05	+0.05

Daily Dealings.

Save & Prosper International
Dealing to
P.O. Box 73, St. Helier, Jersey 0534 73933

Fixed Interest Funds

Deutschmark Bd.**	9.97	10.60	.....	5.10
Dllr. Fxd. Int.**	$9.38	9.91	.....	8.88
St. Fixed***	116.7	123.5	.....	11.34
Yen Bond**	1,238	1,305	.....	3.45

Equity Funds

UK Growth***	147.2	159.2	.....	1.27
Internatl. Gr **	$10.81	11.70	.....	—
Far Eastern*	$16.62	17.97	.....	—
North American*	$8.73	9.44	.....	—
Sepro*	$20.11	21.75	.....	—

Commodity Funds

Commodity****	106.0	113.8	.....	—
Gold***	$12.95	14.01	.....	1.86

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked & Variable Rate

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%.

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Public Board and Ind.

LOANS—Continued

Financial

Building Societies

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS, H.P. & LEASING

BANKS—Continued

Hire Purchase, Leasing, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

CHEMICALS, PLASTICS—Cont.

DRAPERY AND STORES

ELECTRICALS

ELECTRICALS—Continued.

ENGINEERING MACHINE TOOLS

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

هكذا أصل الأصل

INDUSTRIALS—Continued

[illegible]

INSURANCES

[illegible]

LEISURE

[illegible]

LEISURE—Continued

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc.

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Continued

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

MINES—Continued

Central African

1982/83 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
300	75	Falcon Rh.50c	250	.....	Q25c	10.3	7.0
33	17	Wankie Col. Z$1	17	–2	†Q3c	1.2	12.0
28	12	Zam.Cpr.SBD0.24	25	.....	—	—	—

Australians

1982/83 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
28½	10	♥ACM 20c	17½	+½	—	—	—
28	6	♥Argosy Gold NL 25c	7	.....	—	—	—
25	15	Balmoral Resources	15	.....	—	—	—
63	42	♥Black Hill Mins	45	.....	—	—	—
151	52	♥Bond Corp	60	+5	gQ10c	2.3	10.2
154	58	♥Bougainville 1 Kina	139	.....	Q3.42c	♦	1.6
273	147	♥CRA 50c	257	+4	Q3c	—	0.7
154	10	♥Carr Boyd 20c	80	.....	—	—	—
56	20	♥Central Pacific	20	.....	—	—	—
380	152	♥Crusader Oil	230	.....	—	—	—
26	7	♥Cultus Pac NL	9½	.....	—	—	—
27	7	♥Eagle Corp 10c	7½	.....	—	—	—
23	8½	♥Endeavour 20c	10½	.....	—	—	—
810	120	♥GM Kalgoorlie 25c	565	.....	‡Q10c	♦	1.0
244	134	Hampton Areas 10p	212	.....	†3.0	2.8	2.0

[illegible]

Tins

[illegible]

Miscellaneous

[illegible]

NOTES

[illegible]

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

[illegible]

OPTIONS

3-month Call Rates

[illegible]

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 24

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £600 per annum for each security

FINANCIAL TIMES

Saturday March 12 1983

MAN IN THE NEWS

Faithful son of Marx

BY JOHN LLOYD

IT IS A TRUTH universally acknowledged that a man in search of power in the labour movement must be in want of an ideology.

Arthur Scargill has his, and his commitment to it and the enthusiasm with which he espouses it marks him off from his peers in the TUC. Put simply, he is a revolutionary socialist.

Since assuming the mineworkers' presidency a little over a year ago, after winning an unprecedented 73 per cent of the vote, life has not been so

Arthur Scargill

simple. Mr Scargill remains a revolutionary, but he has been a revolutionary leading a little over 200,000 increasingly well-off members over half of whom were not in the industry in 1974; he is one of a number of union leaders on the TUC whose political orientation is social democratic (in the pre-SDP sense of the word); he is faced with a right-wing Government wholly devoid of the Heathite/aristocratic inhibitions about bashing the unions, creating unemployment or annoying the mineworkers; and Plan for Coal, that expansionist programme to put coal back in the centre of UK energy policy, is about to be revised sharply downward.

Most contemporary European revolutionaries — as, for example, most Communist trade union leaders — would, faced with these odds, make a series of tactical retreats while making radical smoke to cover them. There are some distinguished practitioners of the art on the TUC general council, and in union offices *throughout* the west.

Mr Scargill is not a "so-called revolutionary": he is still the real thing. He has, in the first year of his presidency, taken care to have a maximalist programme adopted by his policy-making conference, and then put that in the coal board as a set of un-negotiable demands. When the Board has turned down the demands — as a prelude to negotiations — he has broken off talks and taken the refusal back to his members. In two major ballots, they too have turned down his call to action to win the demands which their union has adopted as policy.

There are two courses open to him, and the still-dominant left group on the executive. One is the "Eurocommunist" route which developments in contemporary Marxism have put at the disposal of hard pressed revolutionaries who cannot, after all, turn the world upside down. This might consist of striking a "historic compromise" with the Coal Board — becoming even more involved in its planning and strategies, ensuring high wages and the best conditions for the members but more or less acquiescing in closure of loss-making capacity and the adoption of labour-saving machinery in the "superpits" which remain.

Given Mr Scargill's character as publicly displayed so far, that is unlikely. The *best bet* is that he will remain a revolutionary, albeit one who has, for the moment, to retrench. He does not like compromise and he cannot stand industrial democracy: he is politically and emotionally attuned to the grand political slam.

Karl Marx is a hundred years dead the day after tomorrow: Mr Scargill, one of his many children, has two decades ahead of him as the mineworkers' leader. These 20 years may reduce him to grand-old-man-of-the-left irrelevance in a job for life, or it may again give him the opportunity to slice like a drill through British political life. A fundamentally honest man, he has never made any secret that the latter is his earnest desire, and last week's events have not changed it.

STC to spend £80m on high-technology companies

BY GUY DE JONQUIERES AND RAYMOND SNODDY

STANDARD TELEPHONES AND CABLES yesterday announced plans to spend more than £80m to acquire British Airways' International Aeradio (IAL) subsidiary and the remaining UK electronics businesses of International Telephone and Telegraph of the U.S.

STC is close to agreement on the purchase for £21.7m in cash of ITT's UK electronics activities. It also plans to assume £4.5m of debt owed by the ITT subsidiaries. These are a semiconductor production company; Idec, a computer systems business, and ITT's consumer electronics distribution operations.

These moves, which coincide *with a major reorganisation* of STC's corporate structure, are intended to strengthen and expand the company's business activities following the reduction of ITT's stake in STC from 75 per cent to 35 per cent last October.

STC yesterday raised £31m through a private placement of 15m shares to help finance the *acquisitions*. The share issue has further lowered ITT's stake in STC to 33 per cent, but the U.S. company plans to restore its holding to 35 per cent at a later date.

In addition, STC is borrowing £60m, much of which it hopes to repay by the end of this year.

It is paying £50m for IAL, a diversified high-technology company whose main activity is in aviation services. This includes reimbursement to British Airways of a planned £15m dividend payment by IAL. After the deal is completed, STC will pay a further £10m into IAL's *pension fund*. It is taking on £4.5m of IAL debt.

Sir Kenneth Corfield, STC's chairman, said the acquisition of IAL would bring much valuable experience in operating abroad, particularly in specialised technology services. About three-quarters of IAL's £133m turnover last year was overseas.

BA decided last year to sell IAL to raise cash to reduce its debt in preparation for the planned privatisation of the state airline. Privatisation is not expected before the next election.

Sir Kenneth also announced plans to restructure STC by consolidating its various activities into several major operating groups. These will be given a greater degree of management autonomy, though STC will retain central control over finance and technology.

The planned sale by ITT of its electronics interests marks a further scaling down of the U.S. company's technology businesses in Western Europe.

CGCT, its French telecommunications company, was nationalised last year, though it retains electronics production facilities in several other countries, notably West Germany and Belgium.

Trust Securities launches £109m offer for Percy Bilton

BY RAY MAUGHAN

TRUST Securities Holdings, the property development group which obtained a full listing on the Stock Exchange 10 months ago, yesterday launched an ambitious £109m share offer for Percy Bilton, a very much larger property investment, construction and housebuilding company.

Trust, which intends to change its name to Bilton Trust if the deal goes through, plans to offer its own shares and a new convertible loan stock, with a partial cash alternative. In a package which *currently* values each Bilton share at 290p. Bilton's shares rushed up by 28p to meet the offer value, while Trust added 1p to 100p.

The proposals were swiftly rejected out of hand by the Bilton board, advised by S. G. Warburg, which said that "the nature of Trust Securities and its history make it totally unacceptable as an offeror.

"Furthermore, the directors of Bilton see no point in entering into discussions with a view to a company with net tangible assets of £3.7m mounting an offer allegedly worth £107m (taking share prices at the close of trading on Thursday) either wholly or largely in paper still to be printed."

The bidder's principal asset is a 350-acre development site at Stockley Park near London's Heathrow Airport on which it plans to build a science park, offices and leisure facilities.

The first 1.55m sq ft phase of the project has received outline approval from the Greater London Council and the Environment Department and £50m of backing has been pledged by Universities Superannuation Scheme, a major investment institution.

Vickers da Costa, which with Laing & Cruickshank, is providing Trust with stockbroking advice, has estimated that the group's net assets are worth 175p per share now that outline planning permission for the first phase of the Stockley Park project has been received.

Anthony Gibbs, the merchant banking subsidiary of Hong Kong and Shanghai Banking Corporation *advising Trust*, revealed yesterday that a bid for Bilton had been contemplated six months ago but plans were shelved in view of the difficulty of unlocking the Bilton family's big shareholdings.

The approach was re-activated early in January, however, following the death of Mr Percy Bilton, Bilton's founder and chairman, over Christmas and Trust subsequently has been negotiating with his widely spread family.

The five children, who live as far apart as South Africa, Western Australia and California, hold 34.56 per cent of the shares through Glenhazel Investment Trust.

Warburg was confident yesterday that Glenhazel's direct beneficiaries would reject the offer

Details Page 18

GEC to cut link with Schreiber

BY JASON CRISP

GENERAL ELECTRIC Company is about to severe its financial and management links with Mr Chaim Schreiber and the Schreiber furniture company, which became part of the giant electricals group in 1974.

GEC owns 62.5 per cent of GEC-Schreiber, which consists of Hotpoint, the domestic electrical appliance company, and Schreiber. Mr Chaim Schreiber, who has been chief executive of the joint company since it was formed, owns the remaining 37.5 per cent.

The two companies are to be split. Mr Schreiber and his family will become the owners of the troubled furniture concern. GEC will also buy out his holding in the now prospering Hotpoint, which will become a wholly owned subsidiary.

Mr Schreiber will remain as non-executive chairman of Hotpoint. Mr Jeoff Samson, until recently a senior director of Standard Telephones and Cables, becomes chief executive of Hotpoint.

The two companies merged in 1974 when both were facing difficulties. Schreiber had a high level of debts and a shortage of cash. British Domestic Appliances — as the GEC subsidiary was then known — had a very poor reputation, was losing market share and had falling profits.

In the 12 months to March 1974 Schreiber had made pre-tax profits of £2.9m on a turnover of £29m while BDA had made £1.67m pre-tax profits on £52m in the same period. The difference between the two companies is now considerable. Hotpoint is expected to make profits of about £10m this year on a turnover of around £120m.

Schreiber has been making heavy losses and has made sharp cuts to capacity and personnel. In this financial year Schreiber is expected to report a further loss, although it is believed to have been trading at a profit for the past four to five months.

Last year Hotpoint opened an automated factory in Rhyl, North Wales, costing £20m.

GEC is to buy out Mr Schreiber's interest in Hotpoint.

Ravenscraig uncertainty increases

By Ian Rodger

MR. IAN MACGREGOR, the chairman of British Steel Corporation, has added fuel to speculation this week that the BSC is about to make an important deal to sell crude steel slabs to a U.S. steel company and halve the workforce at the Ravenscraig plant in Lanarkshire to 2,000.

He pointed out that BSC had been selling slabs to Kaiser Steel in California for some time.

One of the rumours circulating this week in New York as *well as London*, is that BSC would buy a 51 per cent stake in Kaiser. There has been heavy speculative activity in Kaiser's shares recently.

Another rumour suggests that BSC is *participating* in a three part deal whereby Hamersley of Australia would supply iron ore to Ravenscraig, which would make slabs from it for rolling by United States Steel Corporation.

BSC refuses to confirm these rumours but acknowledges the attraction of such deals

Mr George Younger, Scottish Secretary, said that if, as part of the plan, BSC proposed to close the Ravenscraig strip mill and make 2,000 workers redundant, "he would have to come back to the Government and we would make the final decision."

France

Continued from Page 1

port from the European Monetary Co-operation Fund under EMS arrangements, and also on "swap" credits from foreign central banks.

Because of very strict French exchange controls and the Bank of France's tight hold over the Eurofranc market—on which it intervenes using French and other commercial banks abroad—many dealers believe that the Paris authorities have considerable leeway to choose the appropriate moment for the expected franc devaluation.

Jeremy Stone writes: The D-Mark's strength was further demonstrated in London yesterday, when it equalled Tuesday's historic high against sterling to close at DM 3.6050 to the pound. Earlier, sterling had briefly traded at DM 3.5750—some two *pfennigs below* the previous record.

The pound was also weak against the dollar, largely through market suspicions that the protracted meeting in London *of* Organisation of Petroleum Exporting Countries to *revise* oil prices might still fail to agree on production quotas. One London dealer said that the pound may have held this level only because people were reluctant to sell the currency near an historic low on a Friday evening.

Lack of confidence in sterling, affected the gilt-edged market, where losses ranged from a half to three-quarters of a point. Meanwhile, the Bank of England showed its reluctance to see interest rates climbing higher by extending the special short-term facilities which it made available to the banking system on February 22. The Bank is rolling over facilities amounting to £750m, which will run from March 17 until April 11.

Nervousness was evident, however, in a slight easing of the market for Treasury Bills. At the weekly tender, the top accepted rate of discount rose by 0.02 points to 10.7695 per cent.

Superbike

Continued from Page 1

and Yamaha would end up as Harley-Davidson's customers and would buy the equivalent of one year's sales. In the longer term Honda, Japan's biggest maker, would provide Harley-Davidson with technical know-how and possibly engines. Kawasaki, Japan's fourth maker, would not be involved because it is particularly heavily burdened with excess stocks in the U.S.

The MITI official acknowledged that there had already been "a preliminary brainstorming session" with the four Japanese makers, but neither he nor the companies wished to be drawn into details.

From Milwaukee, Wisconsin, Harley-Davidson said the idea was "a complete surprise" but declined to comment further pending confirmation.

Coal Board borrowing limit raised

By Ray Dafter, Energy Editor

THE National Coal Board is to be permitted to increase its borrowings by £96m to £1.2bn under new external financing limits announced for state energy industries by the Government yesterday.

The higher borrowing limit for the financial year 1983-84 arises largely from supply and pricing agreements with the electricity supply and foundry industries.

The NCB, which is expected to report a trading loss of £480m in the current financial year, was originally set a borrowing limit of £1.11bn for 1983-84, compared with a limit of £962m in 1982-83.

However, Mr Nigel Lawson, Energy Secretary, told the Commons yesterday that the limit for the coming financial year was being raised to take account of recent supply deals.

Some £90m of extra borrowings are needed to cover the *coal supply* arrangement with the Central Electricity Generating Board. According to the NCB, the CEGB has agreed to lift at least 75m tonnes of coal during the present supply period (November 1 to October 31) but any amount over 73m tonnes will be taken on a deferred payment arrangement.

The remaining £6m of additional NCB borrowings relate to the pricing restraint imposed by the Government on supplies of foundry coke to the steel industry.

The electricity supply industry's borrowing limits are being reduced by £90m to reflect the coal deal with the NCB. As a result, the Government expects the supply industry in England and Wales to repay to the Treasury loans of £402m during 1983-84 instead of £312m as previously intended.

Mr Lawson said the electricity industry's financing limit for the present 1982-83 financial year was being amended to take account of the extra costs associated with the build-up of coal stocks and the lower-than-expected demand for power.

The supply industry will now be expected to repay £148m of loans this financial year instead of the previously-announced £248.

British Gas Corporation, which is expected to report a pre-tax profit of about £560m *for* 1982-83 is *being* asked to repay more as a result of new forecasts about its trading position in 1983-84. Its repayments will be £31m instead of the previously set figure of £8m.

In 1982-83, *British Gas* was asked to repay £87m of loans. In addition, it is expected to pay the Government £540m in gas levy taxation.

Miners' set to end action, Page 4

Weather

UK TODAY

RAIN. Temperatures near or above normal.

London, SE, E, Central S, Central N, NE & NW England, Midlands, Channel Isles
Cloudy. Rain. Sunny intervals. Max 12C (54F).

Elsewhere
Cloudy. Rain. Max 13C (54F).

Outlook: Unsettled. Rain. Brighter later but showery. Mild becoming colder.

WORLDWIDE

		midday Y'day °C	°F			midday Y'day °C	°F
Ajaccio	S	14	57	L. Ang.†	R	15	59
Algiers	F	17	63	Luxmbg.	C	5	41
Amsdm.	S	7	45	Luxor	S	25	77
Athens	S	17	63	Madrid	S	17	63
Bahrain	C	17	63	Majorca	S	17	63
Barclna.	S	16	61	Malaga	S	16	61
Beirut	S	17	63	Malta	S	19	66
Belfast	C	8	46	M'chstr	C	8	46
Belgrd.	S	20	68	Melbne.	S	31	88
Berlin	C	5	41	Mx. C.†		—	—
Biarritz	S	13	55	Miami†	B	8	48
Bmghm.	C	9	48	Milan	S	13	55
Blackpl.	C	8	43	Montrl.†	Sn	1	34
Bordx.	C	10	50	Moscow	C	−7	19
Boulgn.	Fg	7	46	Munich	C	10	50
Bristol	C	11	52	Nairobi	F	28	82
Brussels	C	8	46	Naples	F	13	55
Budpst.	F	12	54	Nwcstl.	S	4	39
Cairo	F	20	68	N York†	C	2	36
Cardiff	C	9	48	Nice	S	15	59
Cas'b'ca	S	20	68	Nicosia	F	17	63
Cape T.	S	23	73	Oporto	S	14	57
Chicg.†	C	−2	28	Oslo	S	4	39
Cologne	C	8	46	Paris	C	7	45
Cphgn	C	3	37	Perth	S	28	82
Corfu	S	16	61	Prague	R	4	39
Denver†	F	0	32	Rykjvk	Sl	2	36
Dublin	C	8	46	Rhodes	S	18	64
Dbrvnk.	C	15	59	Rio J'o†		—	—
Ednbgh.	C	3	37	Rome	F	14	57
Faro	S	18	66	Slzbrg.	S	11	52
Florence	S	14	57	S'cisco†	F	10	50
Frankft.	C	9	48	Singapr.	C	34	93
Geneva	S	14	57	S'tiago†		—	—
Gibltr.	S	16	61	Stckhm.	F	−2	28
Gl'sg'w	R	3	37	Strasbg.	S	8	48
G'rnsey	C	7	45	Sydney	S	25	77
Helsinki	S	−5	23	Tangier	S	19	66
H. Kong	R	15	59	Tel Aviv	S	19	66
Innsbrk.	S	14	57	Tenerife	S	21	70
Invrnss.	C	2	36	Tokyo	S	15	59
I.o.Man	C	8	46	T'rnto†	R	−3	27
Istanbul	S	12	54	Tunis	S	17	63
Jersey	C	6	43	Valencia	S	20	68
Jo'burg	S	22	72	Venice	Fg	8	45
L. Pims.	S	20	68	Vienna	F	12	54
Lisbon	S	13	55	Warsaw	F	4	39
Locarno	S	13	55	Zurich	S	12	54
London	C	11	52				

C—Cloudy F—Fair Fg—Fog R—Rain S—Sunny Sl—Sleet Sn—Snow. † Noon GMT temperatures.

THE LEX COLUMN

The markets wait for Opec

The stock market succumbed to pre-budget torpor yesterday, with fresh warnings about an Opec collapse reinforcing the general caution. After Thursday's record high of 670.2, the Industrial Ordinary Index fell 6.9 to 663.3 and even the clearing banks' shares ended their exciting week on a subdued note. The clouded prospects for Opec helped push sterling lower, with the trade-weighted index *dropping* 0.4 to 79.4, and this preoccupied the gilt-edged market, where medium and longdated stocks lost ½ to ¾ of a point. Bond prices on Wall Street ahead of next week's heavy auction schedule appeared to give traders no useful lead, while gilt-edged failed to react to the Bank's afternoon announcement that it was rolling over last month's £750m cash facility.

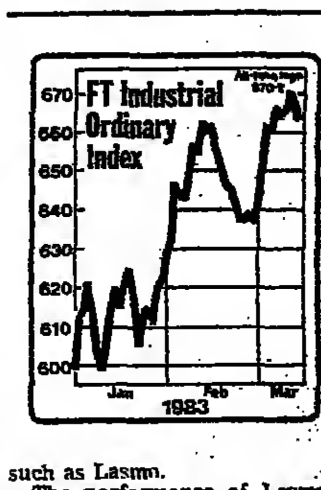
Underpinning the *stock* market's strong performance over the week as a whole, however, has been a resilient confidence in a worthwhile economic recovery. This has been fuelled by the upturn in steel output figures, and even UK vehicle production has given hints of a durable improvement after the grim second half of 1982. The launch of the BL Maestro and the Ford Sierra has helped the motor component manufacturers, which should also be among the main beneficiaries of the decline in sterling.

Opec

The only clear message to emerge from the interminable Opec conclave this week is that the world is in for a continuing period of oil price uncertainty. Even if Opec patches up an agreement for a Saudi marker price of $29 a barrel, with a $1 premium for Nigerian light, it is unlikely to hold: in order to shift current levels of North Sea oil production, BNOC would have to drop prices to $29 a barrel to maintain the necessary differential against Nigerian crude—and the Nigerians would almost certainly react to this by putting further pressure for cuts on their Opec partners.

BP, a major North Sea producer, has already indicated that it would like to see further price cuts. As an integrated group, with substantial downstream activities, BP should be able to balance some of the impact from lower North Sea prices—a cut would anyway hit the taxman more than the company—by passing on the resulting lower feedstock prices to its refineries. The same goes for Royal Dutch/Shell. The North Sea companies that would like to keep the price as high as possible are the *pure producers* such as Lasmo.

Index fell 6.9 to 663.3



The performance of Lasmo's share, which have lost 40 per cent over the past six month, tells its own story about the group's changed North Sea prospects, although its recent dash for overseas acreage gives it less direct exposure. Clyde Petroleum, another North Sea producer, has seen a similar 34 per cent decline in its shares over the same period—although it, too, has transformed its prospects by gobbling up the cash rich Saxon Oil last week.

By contrast with the pure producers, the shares of BP and Shell have both gained marginally since October. The fall in oil prices will almost certainly produce lower reported net earnings because they will begin to throw up substantial stock losses on a conventional accounting basis. But on a replacement cost system, their underlying position will be much stronger—indeed, earnings should rise as final product prices lag behind the decline in crude prices. Pressures from overcapacity in the refinery sector mean that these businesses are unlikely to make a substantial recovery despite lower feedstock prices. But reductions of capacity are pointing in the right direction, leaving *the integrated* companies in a position of some comparative strength in weathering declining prices.

STC/Aeradio

More than half of International Aeradio's prospering business is based in the Middle East and it has had its share of damaging setbacks in the region over recent years. This financial *risk exposure* as well as the nature of many of its government-owned customers, who like to deal with large-scale operators, was being advanced yesterday as ample justification for a private sale allowing the company to pass from British Airways' ownership.

The argument did little to remove the frustration of all those would-be stags in the City who initially hoped for a flotation after last year's Price Waterhouse *report advised* British Airways to sell the company. But the implicit charge that flotation could have been expected to raise a higher price seems unfounded. STC has effectively paid £60m to British Airways, which is more than the airline was offered by any of the other companies involved in the tender. Whether the sale will have added to the attractions of a flotation for *British Airways* itself, of course, is another question. But in the meantime, the deal joins the £55m December sale of Tristars and a prospective £60m sale of properties on British Airway's list of impending cash injections.

For STC, the purchase marks *the start of its much heralded* acquisition programme and was announced alongside the £21.7m agreement to buy three domestic UK divisions of ITT. The £60m of new debt helping to finance the package will place no strain on a strong balance sheet, with equity increased by the placing of 15m new shares at 207p. The sight of STC flexing its new-found independence in this way had the broking community busily raising the 1983 earnings estimates by 15-20 per cent yesterday and the shares closed up 22p at 244p.

Percy Bilton

In the absence of any formal revaluation, best estimates of Percy Bilton's assets indicate net worth of between 305p and 310p per share. So Trust Securities has pitched its terms tightly enough at 290p but the oub of Bilton's swift dismissal yesterday is a savage rejection of the quality of the paper on offer.

The point for the far flung family holders, who will eventually decide the fate of Trust's bold venture, is whether to exchange a holding in a mature, reversionary portfolio with a rising stream of income, for equity backed almost entirely by the prospects of a huge development site which has yet to be cleared let alone built-on.

Receipt of outline first phase planning permission on the Stockley Park site has been enough to treble Trust's net worth to perhaps 170p per share and letting enquiries on the project are said to be very strong. The bidder plainly has to say more about its funding requirements, the conditions dictated by the local council and, not least, how it plans to clear the site for construction.